Strategic Administrative Office Occupancy Plan

October 2019

CBRE

Cover Letter

Mr. Greg Canally

October 1, 2019

Deputy Chief Financial Officer
City of Austin
301 W. 2nd Street
Austin, TX 78701

Re: Real Estate Strategic Planning Services

Mr. Greg Canally
Deputy Chief Financial Officer
City of Austin
301 W. 2nd Street
Austin, TX 78701

Re: Real Estate Strategic Planning Services

Dear Greg,

On behalf of the CBRE team, we are pleased to submit this Strategic Administrative Office Occupancy Plan for the City of Austin. This plan summarizes key observations and recommendations for the City's administrative office portfolio based on four guiding principles:

i) Improve work environments for City employees and enhance productivity and efficiency in workflow for individuals and departments;

ii) Decrease overall long-term occupancy costs and exercise improved stewardship of taxpayer dollars;

iii) Improve the public facing experience in City facilities and advance customer service; and

iv) Improve City facilities and amenities to attract and retain talent throughout the City's workforce.

CBRE has identified ways in which the City can own and occupy less real estate per full time employee while providing a better worker experience, decrease reliance on expensive lease space, efficiently increase owned assets to stabilize long term operating expenses as well as improve the performance of targeted city owned assets. A key component of this study was to re-examine the Strategic Facilities and Logistics Roadmap performed by RSP i_SPACE ("RSP") in 2012 and take into account the progress on initiatives recommended in the that study and those recommendations that continue to cause inefficiencies. By using the data collected and resulting metrics performed for this study to build upon the recommendations outlined in the RSP study and the actions already taken, the City will have key components of an actionable plan for the next 10 years, which, if implemented will result in decades of improvement in operational efficiencies and workplace conditions.

The greater Austin-Round Rock Metropolitan Service Area has grown by over 44% during the past 9 years and that growth is projected to continue. To keep up with the rapid expansion of the region and affect meaningful change in the City's operations and occupancy costs, a strategic program must be adopted, implemented, and supported through consensus by City leadership and staff and resourced appropriately.

On behalf of the CBRE team, we want to thank the City of Austin staff and everyone who participated in this important project. The City staff members have made this project a priority, and without their assistance, CBRE could not have accomplished the deliverables within the required time frame. Thank you for the opportunity to serve the City of Austin on this important initiative.

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01

Approach

Approach

The following Strategic Plan has been prepared through a collaborative effort between CBRE and the City of Austin staff. Primary participants involved in the completion of this study include:

City of Austin – Primary Participants

Greg Canally – Deputy Chief Financial Officer

Alex Gale – Interim Director of Real Estate

Eric Stockton – Building Services Officer

Andrew Moore – P3 Program Manager

Marek Izydorczyk – Program Manager

Gloria Aguilera – Leasing Supervisor

Walter Drane – Building Services Deputy Officer

CBRE – Primary Participants

Eric DeJernett – Senior Vice President, Advisory and Transaction Services

Nina Farrell – Associate, Public Institutions & Education Solutions

Peter Larkin – Executive Vice President, Public Institutions & Education Solutions

Max Roach – Senior Valuation Associate

Luke Goebel – Senior Field Research Analyst

Phillip Knudsen – Senior GIS Specialist

Elise Perry – Client Services Coordinator

Approach

This Strategic Plan is further informed by multiple interviews, conducted by CBRE with stakeholders throughout City agencies and departments to gain historical data and perspective. This perspective includes not only the City's facilities and real estate administration personnel but also the occupants of the spaces.

CBRE collected empirical data and conducted interviews and property tours in support of the recommendations contained in this Strategic Plan. To standardize data for analysis, we applied an 11% industry standard building core factor to decrease gross square footages to rentable square footages. Gross or rentable square footages are applied throughout the report where applicable to best benchmark and analyze the various spaces.

During the course of this study, CBRE:

- Conducted site visits to observe the physical condition of all in-scope properties, gather occupancy data, focusing on occupied and vacant seats; onsite agency contacts led the tours and provided CBRE with the best available floor plans for each location
- Interviewed property managers, senior real estate and facilities staff, and senior stakeholders to understand the City's operational needs and broader goals for City owned real estate
- Interviewed occupants in all in-scope properties
- Solicited and collected current data related to each in-scope property's cost of occupancy, including rental rates, escalations, operating expenditures, and parking expenditures
- Mapped all in-scope properties
- Abstracted each in-scope lease
- Reviewed market data and reports for office and industrial assets
- Reviewed the 2017 Facilities Condition Assessment of a select subset of scope properties
- Reviewed, culled and updated data from the 2012 RSP i_SPACE study

02

Purpose and Guiding Principles

Purpose and Guiding Principles

The purpose of this Strategic Administrative Office Occupancy Plan is to outline a long-term strategic program based on quantitative data and attainable guiding principles for the City of Austin ("City") to optimize an administrative office portfolio currently consisting of over two million square feet and to provide a roadmap for solid long-term financial planning. The City has an annual occupancy cost of well over $43,000,000 per year, exclusive of initial investments in owned assets, to house approximately 5,000 full time employees in the administrative office space chosen for the scope of this study. While a key focus is the bottom line financials over a thirty-year time horizon, the cost/benefit of this study goes well beyond dollars and cents. As one of the city's largest employers, the quality, usability, flexibility and locational considerations of the City's office portfolio has a direct impact on employee productivity, retention, recruitment, health and wellbeing as well as impacting city-wide issues such as transportation, energy consumption and waste generation. The potential benefits to the City of adopting a long-term comprehensive office occupancy plan, or process for effective planning, will pay clear financial dividends as outlined in this study, as well as providing numerous qualitative benefits to a major employer competing for talent in a very competitive labor market.

A summary of the key guiding principles for this study are as follows:

i. Improve work environments for City employees and enhance productivity and efficiency in workflow for individuals and departments;

ii. Decrease overall occupancy costs and exercise improved stewardship of taxpayer dollars;

iii. Improve the public facing experience in City facilities and advance customer service; and

iv. Improve City facilities and amenities to attract and retain talent throughout the City's workforce.

The scope of this study covers selected administrative office buildings owned or leased by the City which represents only a portion of the overall City real estate portfolio. However, we believe many of the suggestions and principles contained herein could enhance the long-term operational efficiencies for the entire real estate portfolio and more specifically to predominantly non-administrative space such as industrial or warehouse uses. Additionally, this report was drafted specifically for this purpose and was not based on any standard templates or work product created for other assignments. The report is intended to be concise, clear, direct and actionable. The suggestions and observations contained herein come from a combination of information provided by the City for this report, research information created by CBRE and other sources, assumptions made and noted to bridge information gaps and the practical experience of over five years of working closely with key City staff members who are passionate about their jobs and creating successful outcomes for the City we all love and call home. Sources and assumptions are footnoted throughout, and expanded research information is contained in the appendix.

03

Executive Summary

Executive Summary

1

Move toward a primarily owned versus leased portfolio.

The financial data is unequivocal that properly managed owned assets are less expensive in the long run than leasing. This is especially true in an environment like Austin where lease rates and property values have increased exponentially during the recent past. The general time horizon for the economic evaluations of this study is over the next thirty years. We based our assumptions primarily on statistical trends as noted throughout the report. If you look back over the past thirty years, the average office lease rate has increased approximately threefold during that period. We see no evidence that rate of increase will slow nor will the City's need for quality space to house a growing workforce. Based on lease information provided, it is possible to convert most of the lease space to owned assets in the next five to seven years. The potential long-term operational savings to the taxpayer would be tremendous.

2

Organize for greater efficiency.

We recommend that the City take the next step in consolidating the management of real estate decisions. The City wisely created the Strategic Facilities Governance Team ("SFGT") in response to the 2012 RSP study and we suggest it is time to bring these three functions, Building Facilities, Real Estate and Finance into closer alignment. In this report we are suggesting key departments within the City go through a detailed programming exercise to determine the optimal size, structure, adjacencies and workflow patterns for each department. We suggest a similar exercise with the components of the SFGT team to bring them together as a more collaborative and efficient operating group. Typically, we see real estate in the private sector operate as one department including all functions and that department generally reports to a chief executive position, also known as the "C-Suite," given the financial nature of real estate as an asset class directly affecting the balance sheet, profit and loss, and performance of the organization.

3

Make a commitment to the long term.

Real estate involves long term decisions both on the buy/sell side and the operational side. The 2012 RSP study clearly noted at that time the City needs to make a solid commitment to funding regular building maintenance, investing in resources to improve inventory control and management (you cannot manage what you cannot measure), investing in deferred as well as preventative maintenance to prevent crisis situations and asset degradation, and improving strategic decision-making regarding acquisitions and disposition of assets. While the City has clearly taken steps to improve some of these issues, there is a long way to go before the department(s) are working efficiently and proactively with proper budgetary support. Organizational improvements will clearly help overall efficiencies, but there is no way around providing the funding commitment necessary to manage and operate a large and complicated real estate portfolio. Long term this will pay tremendous dividends to the City, both quantitative and qualitative, but it will happen incrementally over time and would ideally be shielded from short term political influences.

4

Make strategic decisions about key assets.

The City currently owns and occupies a variety of buildings, some intended for administrative uses and some that were built for other purposes. A few of these assets are functionally obsolete and many are on valuable land that could be considered for redevelopment, repurposed for other City's functions, or monetized via a ground lease or sale structure to support the overall transition to better and more efficient office space. To ascertain the best strategic positioning for each property, the City should engage appropriate resources to fully understand the current property condition by performing a comprehensive site and facility analysis, including updated test fits based on the City's new administrative space standards. Some of these properties offer very good long-term potential while others are beyond their useful life expectancy. In addition to reviewing individual building occupants and conditions, this is an excellent time to make larger strategic decisions about clustering City buildings in relative proximity to create greater operating efficiencies. In summary, this process will determine which key buildings to keep and reinvest in, locational influences for new space as it relates to departmental needs, employee drive times, available public transit, and which departments need to be in the core of the city (more specifically near City Hall) and which can be in more suburban locations.

5

Implement and enforce workplace strategies.

At the initiation of our consulting work with the City we took approximately ten departments through a programming exercise to determine the size, type, configuration, adjacencies, special requirements and general space specifications required for each department. The programming exercise encouraged conversation and dialogue around operational efficiencies and long-term needs within the context of efficient space utilization. As a component of this departmental programming process we created workplace standards to span all City departments. The use of administrative space standards across the City's administrative portfolio will increase overall space efficiency, enhance the ability for "plug and play" re-use of space between departments, reduce issues of inequity, resulting in questions around who gets what space and creates long term efficiencies in furniture procurement and reuse. These standards have been adopted for general administrative use and were used in the planning of the Planning and Development Center and the Austin Energy Headquarters projects. These standards should continue to evolve as needed and be used as uniformly as practical in new buildings, new leases and with the renovation of existing spaces.

6

Perform departmental adjacency and programming analysis.

Building on existing programming efforts, the City should complete a holistic programming and adjacency analysis starting with those departments in the most physically degraded City owned buildings and with the closest lease expirations. This process should include all sub-departments and individual offices. As a part of this process, the City should institute a downtown administrative space need assessment to inform a long-term downtown office strategy to support City Hall functions and adjacencies. The previous reactive tendency of the City around real estate decisions has created a fragmented operating environment for many City departments. Co-location in appropriate and functional space will have a real impact on employee and departmental productivity. Holistic departmental programming and pairing appropriate departments could also create possibilities for efficiencies in shared training, meeting and community space.

7

Scale up process for development of new buildings.

City staff has effectively worked with consultants to plan and execute the proposed purchase and occupancy of the new Planning and Development Center and the new Austin Energy Headquarters buildings. This was done in tandem with leveraging the development community to greatly reduce costs and timing for the development of new City buildings. The implementation process improved dramatically from the initial Planning and Development Center to the Austin Energy Headquarters. Continual evaluation and refinement of the process will create greater efficiencies and quality of delivery for myriad aspects ranging from initial cost, transaction time, smoother move and change management experience, better operating efficiencies long term, higher worker productivity and wellbeing, as well as a better customer experience for public facing departments. This should be done in conjunction with a change management process to assist departments in both the move process and updating overall internal work patterns. There are a number of City facilities at the end of their useful life that need to be prioritized for engagement with this process. Additionally, there are large blocks of leased space that will expire within the next five to seven years that are also ideal candidates to move through the process of lease to owned facilities.

Executive Summary

The recommendations made herein are a continuance of the efforts of the past eight years and a clear plan forward to accomplishing the City's guiding principles of improving employee work environments, increasing employee and departmental productivity, converting from a predominantly leased portfolio into a long-term investment strategy, reducing long-term costs to house administrative employees, improve the City's public facing functions, and support employee attraction and retention. This effort to realign the City's facility plan to adjust to the growth and needs of the city over a fifteen-year period, is an ambitious, yet realistic plan that will have lasting monetary and non-monetary impacts.

Phase I
(2011 – 2012)

- City recognized the need for long term strategic planning related to facilities, leases, staff and asset management.
- Engaged RSPi_Space to create Strategic Facilities and Logistics Roadmap including property condition assessments and asset managment recommendations.
- Documented best practices and toured municipal facilities across the country.
- Implemented Strategic Facility Governance Team ("SFGT") to bridge communication gaps between real estate, building services and individual departments needing space and to impliment new facility processes.

Phase II
(2013 – 2019)

- Issued RFP for a real estate advisor and interviewed multiple teams. Engaged CBRE under a long term advisory agreement.
- Developed comprehensive administrative space standards.
- Building Services is developing and implementing an integrated asset management approach that collects and incorporates facility condition data with intent to prioritize needs and forecast expenditures over a rolling 20 year term.
- Created, tested and implimented a competitive P3 process to aquire new facilities for the Planning and Development Center and Austin Energy HQ. Both projects currently under construction.
- Aligned new leases under SFGT direction to impliment a long term strategy from leased to owned space.
- Engaged CBRE to perform a Strategic Administrative Occupancy Plan including both owned and leased administrative office space.

Phase III
(2020 – 2026)

- Implement key objectives of both the RSPi_Space and CBRE Strategic Plans.
- Perform comprehensive site and facility assessments for potential renovation, redevelopment or repurposing of strategic City owned assets.
- Invest in key strategic owned assets to bring up to adopted administrative office standards.
- Expand P3 process of aquiring new administrative space to include redevelopment of select existing owned properties.
- Issue competitive solicitations for new facilities as needed.
- Complete transition from a predominately leased to a predominately owned portfolio.

04

Key Observations and Recommendations

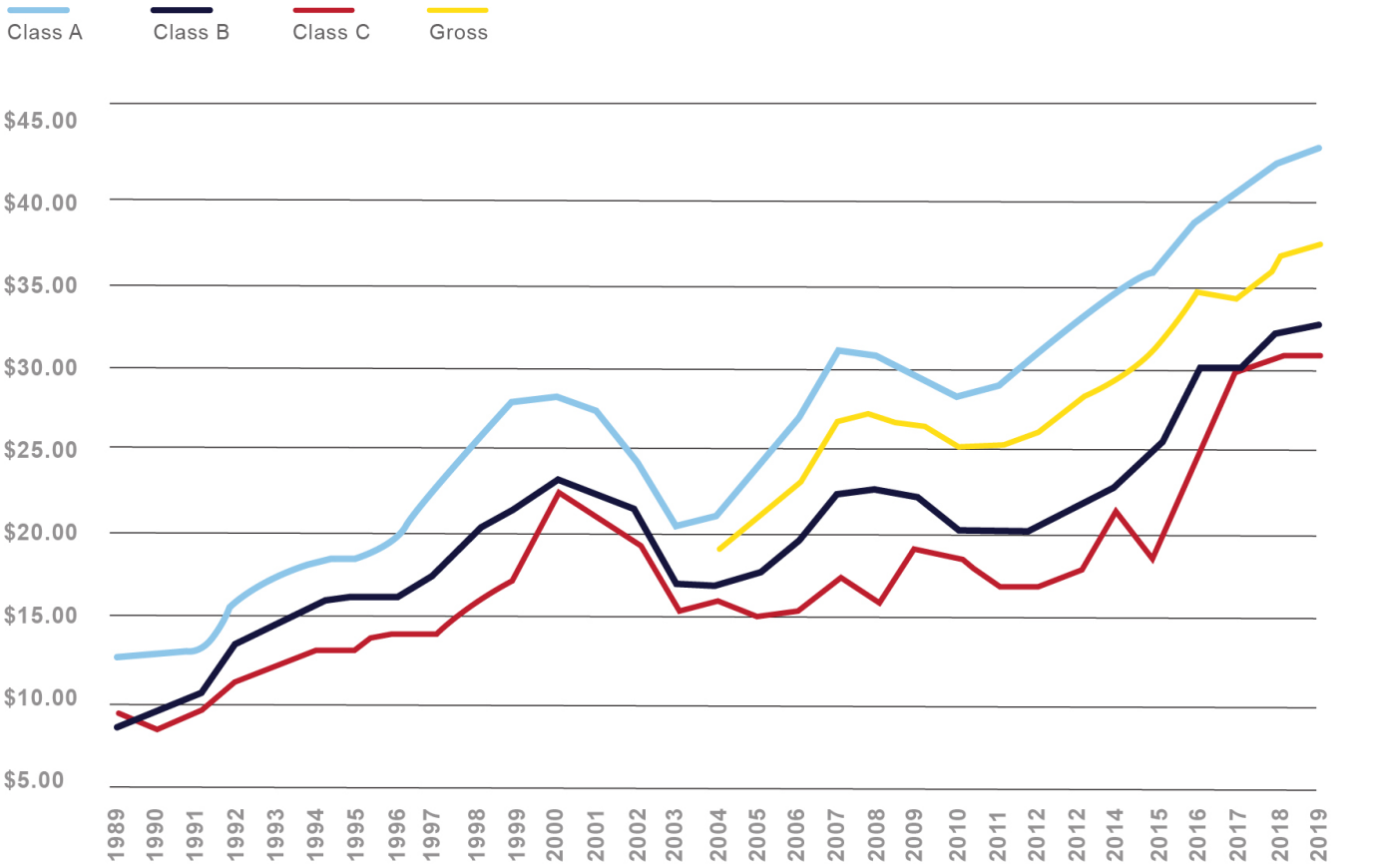
Key Observations and Recommendations

1 Move toward a primarily owned versus leased portfolio.

The City currently leases over 700,000 rentable square feet of space throughout Austin in a market where lease rates and real property taxes continue to reach historical highs. The average term of this lease portfolio, including renewal options, is just over six years. These spaces have largely been leased on an as needed basis, subject to market conditions and availability and provide no residual value at the end of the term. Until recently, there was no overall strategic plan for the decision on locational preference or length of term to consider. An additional note is that in leased space the City is paying property taxes whereas in owned facilities this cost is not required.

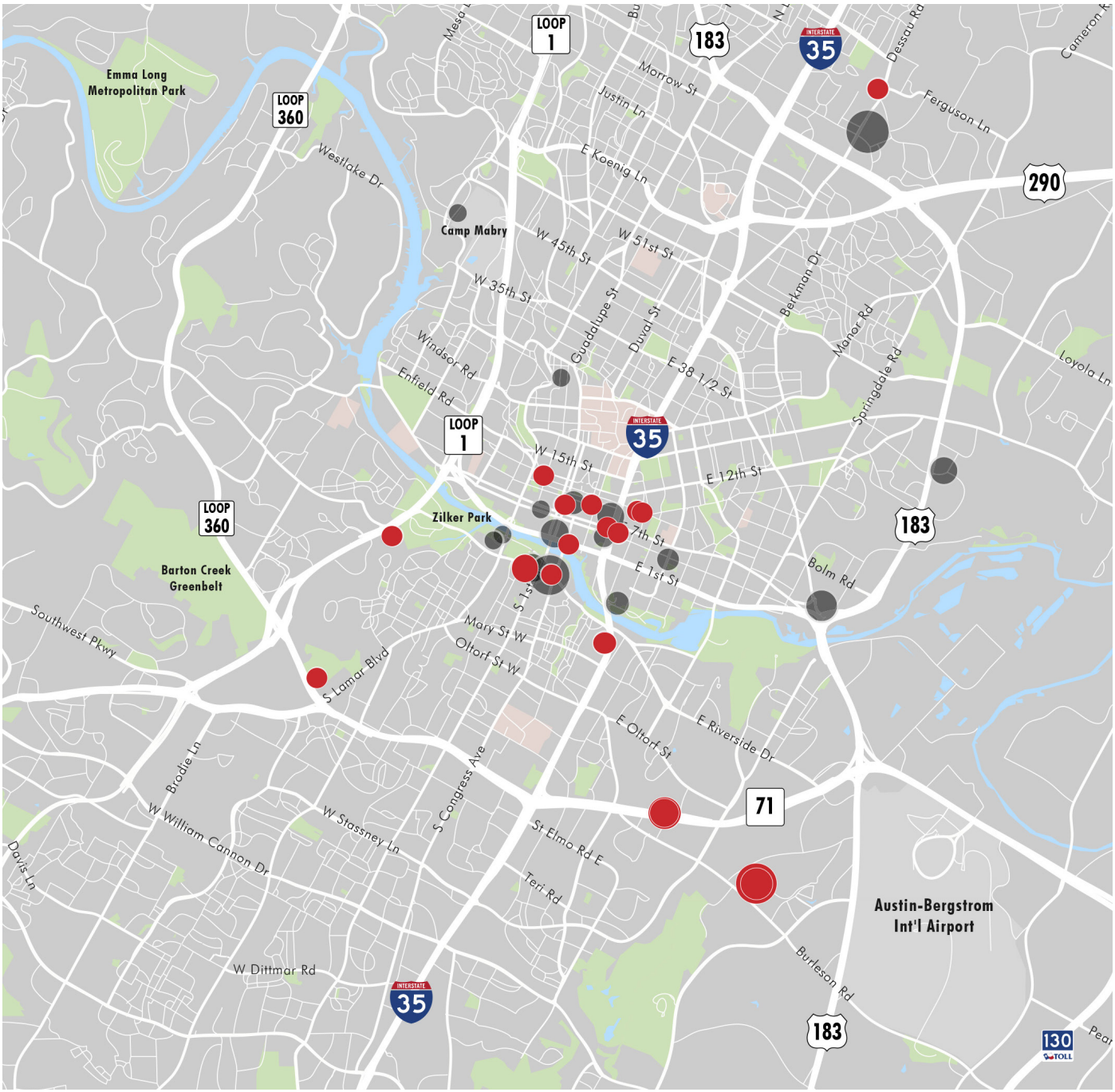
In a 30-year lookback on these trends average office rental rates increased threefold, we are confident the upward trajectory will only continue. Even if the City chooses not to convert to an owned office strategy, we would recommend moving toward an organized build to suit lease strategy with long stable leases that might qualify for non-tax status and include rights for purchase. The City will clearly benefit from obtaining larger spaces suited for long term City needs that provide opportunities for increased space efficiencies, flexibility and shared amenities as well as shared meeting, training and community spaces.

Thirty Year Average Historical Austin Office Lease Rates



Key Observations and Recommendations

As noted, with few exceptions, the location of existing lease and owned administrative office space appears to be determined by space or building availability and not as part of a larger strategic long-term plan, resulting in departments being spread across the City and further reducing operational efficiencies and collaboration between departments.



Leased Properties

Owned Properties

Key Observations and Recommendations

While the location of office space appears to be a reactionary choice based on availability above all else, the overall performance of the administrative office leases was found to be generally in compliance with the market. The City's lease performance rate was found to be 4% less than the submarket average, based on CBRE's Q1 2019 market data included in the Appendix F. This metric represents the average City rental rate per submarket as compared to current average asking lease rates in those same submarkets. This number shows the City's Real Estate Department on average receives slightly lower rental rates than its peers. This is due in part to the point in the market cycle that the lease was signed, the properties selected, the length of the average lease term, that the City requires less expensive buildout of the space, the City's creditworthiness, and the negotiating skills of the City's leasing group.

Building	Submarket	Building Class	2019 Gross / RSF	Submarket Avg Asking Gross /RSF**	Delta between City Rental Rate vs. Submarket Avg.
105 Riverside	South	B	$23.42	$32.19	-27%
5202 E. Ben White	Southeast	A	$25.24	$26.47	-5%
5202 E. Ben White	Southeast	A	$24.70	$26.84	-8%
5202 E. Ben White	Southeast	A	$23.99	$26.84	-11%
Austin Energy Building	South	A	$47.12	$32.19	46%
Barton Oaks	South	A	$43.29	$32.19	34%
Bergstrom Technology Center	Southeast	B	$27.46	$26.84	2%
Bergstrom Technology Center	Southeast	B	$29.68	$26.84	11%
Brodie Oaks Center	South	B	$28.91	$32.19	-10%
Cameron Technology Center*	Northeast	B	$13.69	$11.05	24%
Capitol Center	CBD	A	$33.82	$49.78	-32%
Capitol Center	CBD	A	$31.82	$49.78	-36%
Downtown Community Court	CBD	C	$27.87	$35.32	-21%
HACA Building	South	B	$20.14	$32.19	-37%
Prosecutors	CBD	C	$34.97	$35.32	-1%
Silicon Laboratories Building	CBD	A	$51.41	$49.78	3%
Snell Building	East	B	$39.62	$43.00	-8%
Street Jones Building	East	B	$43.43	$43.00	1%
Average:					-4%

Cameron Technology Center is considered "flex" space rather than administrative and is benchmarked as such.

****Asking rates are higher than actual rates***

Key Observations and Recommendations

As part of this study, CBRE reviewed and abstracted each lease, toured every lease space, reviewed floor plans, counted actual space utilization, and talked to both departmental heads and City employees occupying those spaces. During the tours, a 'point-in-time' count was made of every office and cubicle, (collectively "workstation") and whether the workstation was vacant, occupied regularly by one or more employees, used as touch-down space, or on an interim basis (e.g. interns, seasonal employees, part-time employees). The data and metrics gathered should be compiled and maintained to continue to monitor the portfolio's performance. Key performance indicators, including occupancy rates begin to illustrate the City's need to transition its portfolio from leased to primarily owned space.

Annual Cost of Occupancy: In the case of leases, this number is the 2019 gross annual expense, including base rent operating expenses, parking, operating, and real estate expenses currently paid by the City; in the case of owned assets, components could be operating expenses, deferred maintenance, renovation expenses, and/or capital expenditures as applicable and provided. Note that we were not given any cost information related to purchase prices, bond payments or other costs related to the initial procurement of City assets. Metrics for each building were analyzed and compiled.

Average Annual Occupancy Cost per FTE: This metric represents the cost to house an employee ("FTE") in a specific space and is inclusive of base rental rate, operating expenses, parking, and any other ancillary cost associated with the leasing or ownership of a property. The calculation assumes actual utilization rate to determine the current cost of each employee in a space.

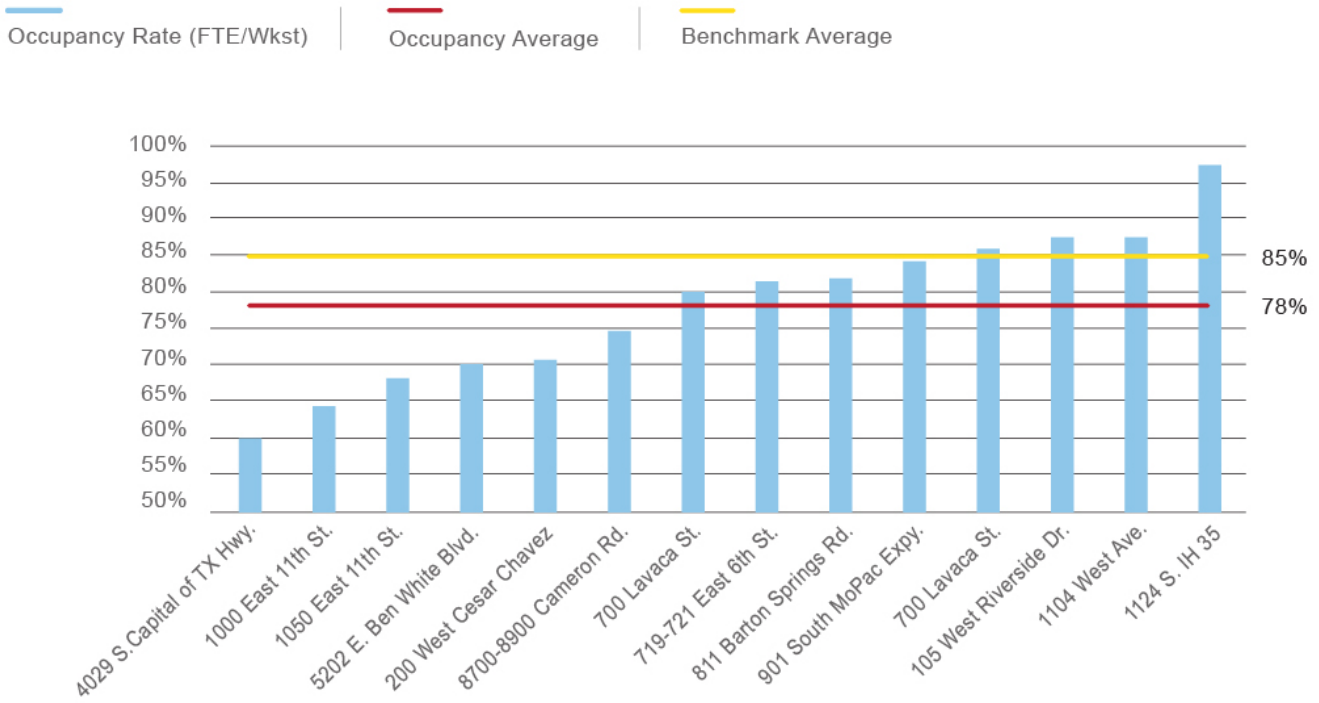
	2019 FTEs	Gross Annual Expense	Average Annual Occupancy Cost per RSF	Average Annual Occupancy Cost per FTE
Lease:	1,109	$22,836,211	$31.75	$12,122
Owned:*	3,896	$20,430,015*	$16.39*	$5,630*
Combined Portfolio:	5,005	$43,266,226	$24.07	$8,876

This number does not include the cost of ownership (i.e. debt on the property or depreciated value). Those values were not provided as part of this study.

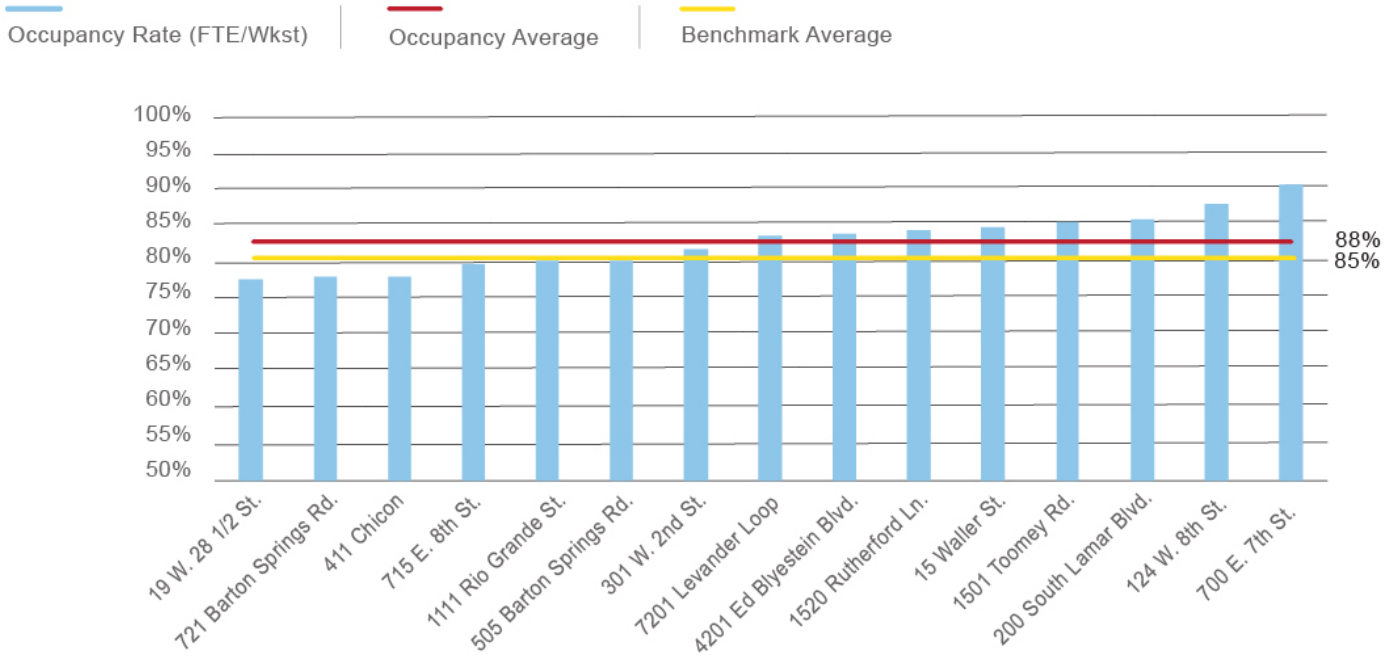
We then looked at the occupancy rate of each space the City occupied, documenting actual bodies in seats. We observed that the current lease space is underutilized, with only 78% of available workstations being occupied by FTEs, due in part to the inflexibility of the geographically diverse locations. The geographic dispersion makes it difficult to use vacant space in one location functionally available to another department that needs space. Juggling lease terms is also an issue as it is inefficient to move FTEs between lease spaces if the lease term does not align with departmental needs or existing tenant finish conditions. The occupancy rate is lower than industry benchmark of approximately 85% and lower than the owned asset occupancy rate of 88%, illustrating room for improvement.

Key Observations and Recommendations

Leased Space Occupancy Rate (% of FTE occupying available workstations)



Owned Space Occupancy Rate (% of FTE occupying available workstations)



Key Observations and Recommendations

With a total annual occupancy cost for leased space of approximately $23,000,000 and at an occupancy rate of 78%, the City has the opportunity to save nearly $1,600,000 annually by increasing the space occupancy to be in line with the benchmark industry average of 85%.

Increased occupancy rates are one of many options available to the City to further reduce its overall occupancy costs. To test our recommendation to transition out of leased and into owned space, we modeled a variety of scenarios, including if the City were to continue with the status quo. The following tables model a variety of scenarios to better understand the cost implications of the City's occupancy strategy decisions.

Should the City continue to lease and own space as it currently does and opt not to take any action to change the ratio of lease space to owned, and assuming the historical full-time employee growth rate of 2.56% annually, the current space utilization of approximately 410 gross square feet per full time employee, and historical rental and ownership cost, the cost to house approximately 5,000 employees over 30 years will be approximately $2.8 billion dollars.

Forecast Own vs. Lease (30-Year)
Current Administrative Office Utilization (~410 GSF/FTE)*

	Cost to Own	Cost to Lease	Combined Portfolio Occupancy Cost
2019 FTEs	3,896	1,109	5,005
30-year average annual occupancy cost/FTE	$9,343	$22,310	$14,718
Total	1,774,797,256	$1,217,386,627	$2,870,437,457
NPV	$863,136,511	$583,565,569	$1,446,702,080

To further understand the cost implications of leasing versus ownership, we modeled two theoretical scenarios. The first scenario considers if the City were to immediately move all employees into Class A suburban leased space and the second model considers if the City were to immediately move all employees into Class A suburban owned space. Both models use 2019 market data and assume the City would implement its administrative space standards of 246 gross square feet per full time employee, as determined in practical application in the Planning and Development Center, whether leased or owned and increases the full-time employee count by the historical annual average growth rate of 2.56%.

Key Observations and Recommendations

Forecast Own vs. Lease (30-Year)
New Administrative Space Standard Utilization (~246 GSF/FTE)
Class A Suburban Office Build-to-Suit

	Cost to Own	Cost to Lease	Savings
2019 FTEs	5,005	5,005	-
30-year average annual occupancy cost/FTE	$9,337	$17,108	$7,770
Total	$2,204,802,026	$4,201,691,246	$1,996,889,220
NPV	$1,129,306,386	$2,022,694,378	$833,387,992

The cost savings of ownership versus leasing over a 30-year period is unequivocal in these theoretical models, however we went further to forecast our recommendation to build new administrative facilities. This next set of models looks at the actual cost to build a brand-new building and outfit it fully with furniture, fixtures, and equipment and the cost savings to own the new facility versus to lease it. The operating expenses used in these forecasts assume efficient 3rd party management rates currently found in the market escalating at 2.5% annually.

Forecast of Own vs. Lease (30-Year)
300,000 SF Administrative Office Build-to-Suit: Class A Suburban*

	Cost to Own: 30-year hold	Cost to Lease: 30-year term	Savings
FTEs	1,220	1,220	-
30-year average annual occupancy cost/FTE	$10,196	$19,247	$9,051
Total	$373,027,805	$704,163,285	$331,135,479
NPV	$216,539,197	$380,394,041	$163,854,844

Full 30 year forecast model in Appendix D

The savings to own versus to lease a turnkey 300,000 SF Class A building in a suburban setting (such as ACC Highland Mall or Mueller), is over $331,000,000 over a thirty-year period. Both the leased and owned costs include a full FF&E package; the owned cost incorporates an annual $2.00/SF capital expenditures reserve and full TI buildout, while the lease cost represents a partial TI buildout.

Key Observations and Recommendations

Forecast of Own vs. Lease (30-Year)
300,000 SF Administrative Office Build-to-Suit: Class A Central Business District*

	Cost to Own: 30-year hold	Cost to Lease: 30-year term	Savings
FTEs	1,220	1,220	-
30-year average annual occupancy cost/FTE	$15,310	$25,561	$10,251
Total	$560,135,932	$935,156,427	$375,020,496
NPV	$321,732,932	$503,600,167	$181,867,234

Full 30 year forecast model in Appendix E

The savings to own versus to lease a turnkey 300,000 SF Class A building in the central business district is over $375,000,000 over a thirty-year period. Both the leased and owned costs include a full FF&E package; the owned cost incorporates an annual $2.00/SF capital expenditures reserve and full TI buildout, while the lease cost represents a partial TI buildout.

As the term of the majority of the City's leases expire over the next 7 years, and functionally obsolete buildings are taken offline, a deficit of approximately 1 million square feet of space will exist. This deficit is illustrated in the 10-Year Administrative Space Deficit chart on page 16 and can be addressed through new construction and renovation of existing facilities. As the City looks toward solving the need for new space, the findings of this study strongly recommend the City commit to a long-term strategy that includes moving out of leased space into owned space and identifying key City assets to renovate and retrofit to provide consistency across the office portfolio. The cost savings and space efficiencies described in this section and further detailed throughout the report, verify that consolidation into owned assets and improved workplace efficiencies will decrease the overall space required per full time employee and in turn decrease the City's overall occupancy cost significantly over the long term.

Key Observations and Recommendations

10-Year Administrative Space Deficit

Year	Lease Space Expiring (GSF)	Owned Space Offline	Total Space Removed from Portfolio (GSF)	Displaced FTEs (Current)	Displaced FTEs w/ 2.56% Annual Growth Rate	GSF Space Requirement (230 SF)	GSF Space Requirement (270 SF/FTE)*
2019	19,100	-	19,100	(58)	(58)	(13,352)	(15,675)
2020	7,719	40,000	47,719	(145)	(149)	(34,214)	(40,164)
2021	7,963	-	7,963	(24)	(25)	(5,856)	(6,874)
2022	7,414	279,318	286,732	(872)	(940)	(216,243)	(253,850)
2023	79,831	159,455	239,286	(727)	(805)	(185,081)	(217,269)
2024	107,833	-	107,833	(328)	(372)	(85,541)	(100,418)
2025	373,770	-	373,770	(1,136)	(1,322)	(304,092)	(356,977)
2026	156,829	-	156,829	(477)	(569)	(130,859)	(153,617)
2027	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-
2030	106,560	-	106,560	(324)	(428)	(98,375)	(115,484)
Total	867,019	478,773	1,345,792	(4,091)	(4,668)	(1,073,612)	(1,260,327)

**GSF Requirement is based on the City's planned space utilization of 230 GSF/FTE in the new Austin Energy Headquarter building, using the new administrative space standards, however additional amenities such as cafeteria, daycare, fitness facility, or conference center may increase this number as in the case of the Planning and Development Center at 246 GSF/FTE. Renovations and retrofitting of existing buildings may require additional square footage. To accommodate this potential flux, we included a range from 230-270 GSF/FTE. Assuming an 11 percent building core factor, this would translate to 207-243 RSF/FTE. The building core factor represents the difference between the gross building area and the net usable area. An 11% building core factor is generally representative of single tenant building and would be higher in a multi-tenant building.*

*** Owned space projected to come offline in 2020 is 700 E. 7th St.; in 2022 15 Waller St., 4201 Ed Bluestein Blvd., and 715 E. 8th St.; in 2023 1111 Rio Grande St., 124 W. 8th St., 1501 Toomey Rd., 200 S. Lamar Blvd., 919 W. 28 ½ St., and 411 Chicon St. The owned assets slated to come offline are assumptions made by CBRE under an optimal planning scenario.*

Key Observations and Recommendations

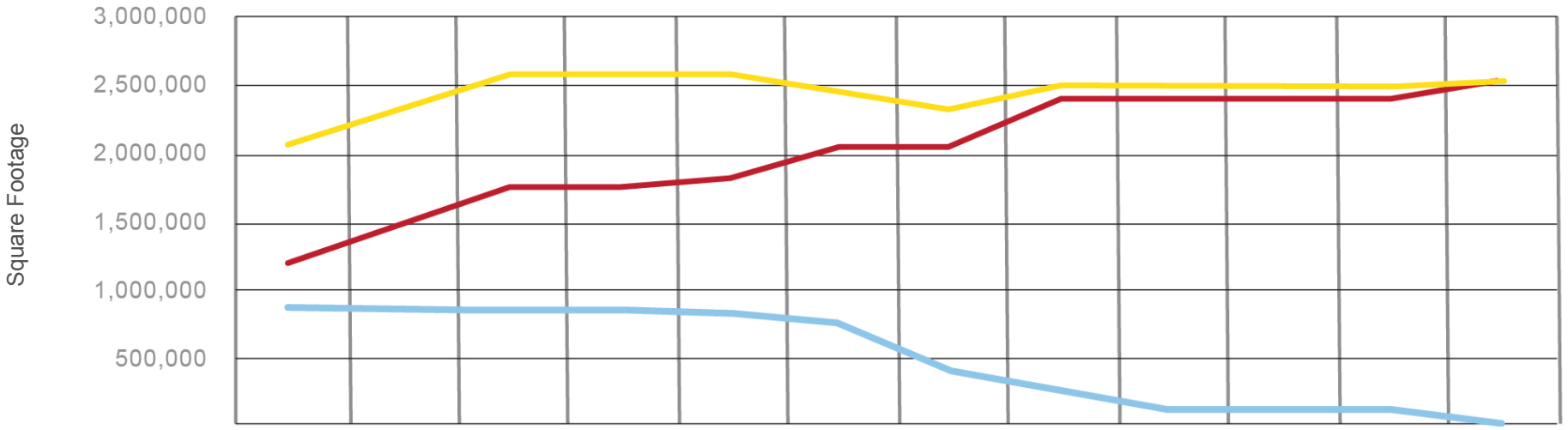
The 10-Year Administrative Space Forecast illustrates the current term expirations of the leased portfolio and includes approximately 1 million to 1.2 million square feet of new and/or renovated owned assets to bring the entire portfolio into alignment with the newly created administrative space standards. The specific buildings and timeframes that are recommended to come on- or off-line are planning assumptions and are representative of an optimal scenario to proactively address expiring leases. Due to the projected space optimization, the total space occupied by the City stays relatively flat, while the number of employees housed in these spaces increases, the working conditions of the employees improve and the occupancy cost per square foot decline. Large format meeting, training and community spaces were not included in this study and will affect final numbers.

10 Year Administrative Space Forecast

Year	Current Lease Space (GSF)	Lease Space Expiring (GSF)	Total Leased Space (GSF)	Owned Space (GSF)	Owned Space Offline (GSF)	New Owned Space (GSF)	Total Owned Space (GSF)	Total Space (GSF)	Notes/Recommendations
2019	867,019	19,100	847,919	1,244,566	-	-	1,244,566	2,092,485	
2020	847,919	7,719	840,200	1,244,566	40,000	265,000	1,469,566	2,309,766	**Offline:** 700 E. 7th St.; Online: PDC
2021	840,200	7,963	832,237	1,469,566	-	275,000	1,744,566	2,576,803	**Online:** AEHQ
2022	832,237	7,414	824,823	1,744,566	279,318	-	1,465,248	2,290,071	
2023	824,823	79,831	744,992	1,465,248	159,455	300,000	1,605,793	2,350,785	**Offline:** 15 Waller St./4201 Ed BluesteinBlvd./715 E. 8th St.; **Online:** Recommended Administrative Building
2024	744,992	107,833	637,159	1,605,793	-	350,000	1,955,793	2,592,952	**Offline:** 1111 Rio Grande St./124 W. 8th St./1501 Toomey Rd./200 S. Lamar Blvd./411 Chicon St/919 W. 28 1/2 St.; **Online:** Recommended Administrative Building
2025	637,159	373,770	263,389	1,955,793	-	-	1,955,793	2,219,182	
2026	263,389	156,829	106,560	1,955,793	-	350,000	2,305,793	2,412,353	**Online:** Recommended Administrative Building
2027	106,560	-	106,560	2,305,793	-	-	2,305,793	2,412,353	
2028	106,560	-	106,560	2,305,793	-	-	2,305,793	2,412,353	
2029	106,560	-	106,560	2,305,793	-	150,000	2,455,793	2,562,353	**Online:** Recommended Municipal Court Building
2030	106,560	106,560	-	2,455,793	-	-	2,455,793	2,455,793	

Key Observations and Recommendations

10 Year Administrative Space Forecast



	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Lease Space (GSF)	867,019	847,919	840,200	832,237	824,823	744,992	637,159	263,389	106,560	106,560	106,560	106,560
Owned Space (GSF)	1,244,566	1,244,566	1,469,566	1,744,566	1,465,248	1,605,793	1,955,793	1,955,793	2,305,793	2,305,793	2,305,793	2,455,793
Total Space (GSF)	2,092,485	2,309,766	2,576,803	2,290,071	2,350,785	2,592,952	2,219,182	2,412,353	2,412,353	2,412,353	2,562,353	2,455,793

Key Observations and Recommendations

Due to the mission of a few specific departments, such as Governmental Relations and the Downtown Community Court, we recognize there will likely continue to be a need to lease space in specific geographical areas for specific uses, but these exceptions are few.

An organizational shift of this nature will undoubtedly be a difficult transition for City employees, yet while it may be disruptive in the short term, it will ultimately result in long term stability and operational flexibility. The short-term impacts of this transition period can be mitigated through employee engagement, education, change management and well executed move management initiatives. Early engagement of a change management firm is recommended and will inform strategic decisions recommended in this study.

2 Organize for Greater Efficiency.

Contrary to best practices, the City does not manage its leased and owned real estate assets based on a long-term strategic plan under a centralized organizational structure with the support of senior management. Real estate assets and labor are intrinsically connected and often the largest expenditures on any enterprise's balance sheet. For this reason, they are afforded high visibility by being structured under the umbrella of the finance department or executive leadership. In 2012, the RSP study recommended centralizing the facilities maintenance and management structure and this was again validated in this study. In the data collection phase of the study, we found gaps in key data required for the management of a portfolio of this size housing approximately 5,000 employees. We also observed occupancy decisions being influenced and decided by individual departments. This was most notable in older facilities that had either passed their useful life, were never designed for the departments occupying them or due to general overcrowding.

69% **of CRE executives report directly to a C-Suite level**

"Corporate real estate teams are positioned to influence the strategic decisions of the organization as most report directly to a C-Suite level executive. Those reporting to finance or operations executives continues to grow, reflecting the ownership that corporate real estate executives have in prudent cost management."

– Engaging the C-Suite,
CBRE's Americas Occupier Survey 18'

Adopting a long-term facility plan with the support of senior management that is run by a centralized real estate asset management group will allow departments to efficiently focus on their mission critical functions (e.g. police, fire, parks) versus real estate.

The City has made notable strides in improving real estate management by the creation of the SFGT. This is evidenced by the completion of both the Planning and Development Center and Austin Energy Headquarters transactions which will create over 525,000 square feet of new efficiently owned administrative office space capable of housing well over 2,000 employees in contemporary space grounded in best practices found in the private sector. However, on a portfolio wide basis the following comments contained in the RSP 2012 study are still largely true,

Key Observations and Recommendations

"In the world of real estate and facilities, decisions are being made at a departmental level that impact the City as a whole…Overall, communication within departments appears to be functioning smoothly, but breakdowns seem to occur with interdepartmental communications. City staff are hard-working and have found creative work-arounds to get things done in the most effective manner readily apparent to them. However, there does not appear to be an overriding and interdepartmental strategic plan in place that is appropriate for a city the size of Austin. Creating a plan of this type is best done when a real estate and facilities organization is properly organized, staffed and has visibility as the senior levels (C-Suite) of an organization."

3 Make a commitment to the long term.

You cannot manage what you don't measure. CBRE's experience with public sector clients indicates that property portfolios are most effectively managed when there is one overall source of information that tracks spending, lease rates, operating costs and reconciliations, capital costs, staffing and space allocations. We observed during our data requests and questions about the portfolio that there is not a centralized repository of portfolio data available. Some departments perform this function on their own, others not at all, but the result is a partial, ad hoc system with missing data. Maintaining an asset inventory database is a critical element of long-term administration of real property. In order to maintain accurate asset inventory, the City should evolve current practices such that as each real estate action occurs; the asset inventory database is updated to reflect the acquisition, disposition, lease, lease expiration, lease amendment, related parking leases, departmental move or expansion related to all real property whether owned or leased.

As identified in the RSP study, the City would benefit from a centralized facilities maintenance and management structure that would both dedicate and protect facility budgets. With the purchase of the Class A Planning and Development Center and Austin Energy Headquarter buildings, it becomes even more critical that the City protects its large investments in new and existing facilities through dedicated and protected facilities maintenance budgets. In touring the City owned facilities for this study and talking to City employees working in those buildings it was obvious in many properties that there is severe deferred maintenance, resulting in poor work conditions, decreased property value, and buildings whose value to repair has outpaced the value of the building itself. This issue was addressed in great detail in the 2012 RSP study. This type of systemic budgetary correction does come with a hefty price tag, but not so hefty as the cost of non-action. The City will benefit from reevaluating the facilities maintenance budgets to include top tier property management staff and software, market rate annual capital reserve funding, deferred maintenance funds on facilities the City determines it will keep in its portfolio, and technology resources and employee training to maintain this data.

4 Make strategic decisions about key assets.

Included in this study are approximately fourteen properties in various conditions and levels of functional obsolescence. They range from impressive public buildings like the downtown City Hall to functionally obsolete buildings like Technicenter and the Police Headquarters that also suffer from extensive deferred maintenance. Overall, the average age of the properties included in this study is over 40 years old. Most of these buildings were built in another time for another purpose and are not candidates for renovation or retrofitting to meet the proposed administrative space standards. In addition to the buildings included within the scope of this plan The City owns assets such as the former Home Depot site on IH35 at St. John's, the former Health South site on Red River and others that could be considered future administrative office development options as a part of a larger development plan. In conjunction with other key recommendations contained herein, this is the time to update the 2012 RSP building analysis for the following properties in a holistic and honest review as it relates to the guiding principles highlighting improved work environments for City employees, decreasing long term operating costs, improving the public face of City facilities and using facilities to attract and retain talent.

Key Observations and Recommendations

The types of analyses that should be considered for each building are all or a some of the following:

- Valuation
- Deferred Maintenance Estimates
- Capital Expenditures Schedule
- Operating and Maintenance Schedule
- Site Considerations (Transit, Childcare, Misc. Amenities)
- Massing Study
- Test Fits/ FTE Capacity (Existing, Renovated, Redeveloped)
- Renovation and Restacking Estimates
- Redevelopment Estimates
- Political Considerations
- Legal Considerations
- Zoning and Deed Restrictions
- Bonding Restrictions
- Survey and Preliminary Engineering Study
- Overlay/Neighborhood/Adjacent Landowner Assessment
- Environmental Site Assessments

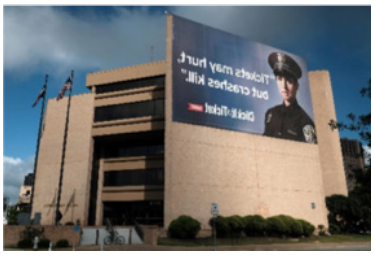
Following is a summary chart with suggested options for each property along with brief comments and recommendations. More complete overview is contained in Appendix B.

Building Name	Demolish Existing Improvements	Renovate for Efficient Admin Office Use	Backfill for Admin Office	Redevelop for City Admin Office Use	Repurpose for Another City Use [Non-Admin]	Monetize [Ground Lease or Sell]
7201 Levander Loop				X	X	
715 E. 8th St.	X			X		X
1501 Toomey Rd.					X	X
1111 Rio Grande St.					X	X
411 Chicon St.		X	X	X	X	X
301 W. 2nd St.						
700 E 7th St.	X			X		X
124 W. 8th St.					X	X
505 Barton Springs Rd.		X	X	X	X	X
919 W. 28 ½ St.					X	X
200 S. Lamar Blvd.				X	X	
15 Waller St.					X	X
1520 Rutherford Ln.		X	X			
4201 Ed Bluestein Blvd.						X
721 Barton Springs Rd.		X	X		X	X

Key Observations and Recommendations

7201 Levander Loop

This property, referred to as the Betty Dunkerly Campus is in a redeveloping area. The property has approximately 138,008 square feet and serves as the Animal Shelter and Public Health Campus. The property has over 38 acres and could be considered for other long-term City uses as there appears to be adequate land for additional development. We suggest this property be considered as a long-term hold that can accommodate future uses as additional study is done on other City assets and an overall occupancy strategy.



715 E. 8th Street:

The Police Headquarters building was given a 67% condition rating by RSP in 2012 with over $3,300,000 in deferred maintenance noted at that time. The building is clearly in poor condition, over-crowded and functionally obsolete. In 2015 the Police Department Headquarters operation went through a programming exercise under a different Police Chief. We recommend updating the program needs and establish a plan to relocate the occupants of this building to new functional space that can support their operations now and for years to come. When vacated, the property should be considered for a ground lease or sale to a developer so that the property can be redeveloped for market uses and the land can go back on the tax rolls to assist in the payment of Waller Creek TIRZ bonds. This a good site for the City to own long term.

1501 Toomey Road:

This is a former small office and shop building originally built in 1976 with a total of approximately 11,346 square feet of improvements and houses a portion of the Austin Transportation Department. The building sits on approximately 35,100 square feet of land and is directly across the street from Zach Theater and the PARD Headquarter building. We recommend that the City consider combining this property with other adjacent City Arts related uses or monetizing via a long-term ground lease or sale to a developer for long term income and future control.

1111 Rio Grande Street:

This is a small office building with adjacent parking used as both office space and vehicle storage for the Austin Transportation Department and Public Works. The building has approximately 4,234 square feet and was originally built in 1961. The property is small and uses in this building should be considered for consolidation into a larger lease occupancy and fleet strategy. Land in this part of town is valuable and hard to find. The building should be considered for possible long-term re-use by another City function or monetized through a lease or sale. The occupants of this building should be part of a larger study to determine which departments and personnel have a direct need to be located in or near the CBD.

Key Observations and Recommendations

411 Chicon Street:

The Building Services headquarters also includes other various City uses, such as SWAT and the mail distribution center and is located in a highly desirable near-East location with approximately 48,491 square feet of improvements originally constructed in 1955. The building sits on approximately 5.1 acres and is ripe for development or redevelopment. The property does provide good logistic access for Building Services and currently houses approximately 138 City employees. We recommend further architectural due diligence to determine the viability of the site for redevelopment for denser City utilization or to monetize by a long-term ground lease for cash flow and future control of the property. The occupants of this building should be part of a larger study to determine which departments and personnel have a direct need to be located near the CBD.

301 W. 2nd Street:

City Hall was originally built in 2004 by renowned architect Antoine Predock and anchors the Second Street Retail District. The building has approximately 103,604 square feet, net of building core, and currently houses approximately 305 City employees. While the building appears to be in good condition, interior spaces have been compromised to increase headcount. While the usefulness of the building has been challenged by a shift from six to ten council seats and related occupancy pressure of a growing City, this is one of the few impressive public buildings in the City portfolio and should be maintained for a long-term hold. However, direct administrative office needs in and near the City Hall is cause for additional study on which personnel and departments need to be located in convenient proximity to this facility.

700 E. 7th Street:

The Municipal Court is relocating to southeast Austin and this building will be vacated. In 2012 RSP gave this building a 68% condition rating and noted over $1,700,000 in deferred maintenance—which is why the court operations were forced to move into new facilities. The building has approximately 36,036 square feet and is intertwined with the Police Headquarters and Downtown Command in the same block. The combined property is approximately 2.74 acres and is now in the Waller Creek TIRZ district. We recommend this building be combined in a study with the neighboring Police building to relocate all functions out of these obsolete buildings that suffer from extensive deferred maintenance and overcrowding. The property should be considered for a ground lease or sale to a developer so that the property can be redeveloped for market uses and the land can go back on the tax rolls to assist in the payment of Waller Creek TIRZ bonds.

Key Observations and Recommendations

124 W. 8th Street:

This is the former City Hall originally built in 1930 with approximately 57,369 square feet, net of building core, and currently housing approximately 153 City employees in what is now known as the Municipal Building. The building, or building façade, is potentially historic. In 2012 RSP ranked the building condition at 68% with over $1,000,000 in deferred maintenance. It is time to update the facility condition report along with a basic architectural study to determine whether the building makes sense for long term administrative use by the City. The building has a very good downtown location and we would recommend keeping the property for a City use or monetize through a long-term ground lease to a developer for income and future control. The occupants of this building should be part of a larger study to determine which departments and personnel have a direct need to be located in the CBD.

505 Barton Springs Road:

This is a well-located building just south of the river and City Hall on Barton Springs Road and is commonly known as One Texas Center (OTC). The property is potentially part of the City's long-term vision for the South Central Waterfront District. The building has approximately 212,858 square feet with potential expansion area in an open parking lot. The building was originally constructed in 1983 and currently houses approximately 902 City employees. This is one of the few City building assets with very close proximity to City Hall. However, the building design and floorplate are not efficient by today's standards. The building also suffers from deferred maintenance and functional obsolescence. In 2012 RSP ranked the building condition at 71% with over $1,000,000 in deferred maintenance. We recommend the City immediately study this property to determine the long-term strategy for the asset, so the fate is clear when the Planning and Development Departments move out and into the new ACC/Highland facility. We recommend an architectural study to determine possible renovation, office restack and expansion possibilities along with general cost estimates. The occupants of this building should be part of a larger study to determine which departments and personnel have a direct need to be located in the CBD. Further review of this building was done as a part of this study and included on pages 27-28.

919 W. 28 1/2 Street:

This is a small one-story building located in a quiet West Campus neighborhood and is commonly known as the PARD Annex, housing the Parks and Recreation Department (PARD). The building has approximately 10,541 square feet and was originally constructed in 1980. The occupants of this building should be included in a larger study of PARD administrative office needs. We recommend incorporating PARD into a programming study to determine their overall office needs and incorporate that information into an action plan to address what seems to be an inefficient office situation. This property could be considered for another City use or sold for the highest value.

Key Observations and Recommendations

200 South Lamar Boulevard:

This is a 11,346 square foot architecturally interesting building sitting on park land just west of Zach Theater and serves as the Parks and Recreation Department's headquarters. The building has obvious deferred maintenance but is worthy of investment to create an alternate use in conjunction with the overall PARD mission and values. A related use could also be to support the neighboring arts facilities. We recommend a reinvest and hold strategy for this building, but not necessarily for the PARD occupants. The office function would be best served moving into a more suitable office environment. The occupants of this building should be part of a larger study to determine which departments and personnel have a direct need to be located in the CBD. It is important to note the limitations of developing on dedicated park land, which further study may indicate is an insurmountable obstacle or an undesirable option to do so.

15 Waller Street:

This building, commonly known as Rebekah Baines Johnson Center (RBJ) is a former nursing home facility originally built in 1970 with approximately 64,048 square feet and currently housing approximately 210 City employees. In 2012 RSP ranked the building condition at 70% with over $1,000,000 in deferred maintenance. The building is on a highly constrained site with insufficient parking. The surrounding property is currently being redeveloped by Austin Geriatric Center as independent living for seniors and people with disabilities. We recommend the City re-use this asset for a related social impact purpose or monetize via a sale or long-term ground lease to become part of the adjacent development. The occupants of this building should be part of a larger study to determine which departments and personnel have a direct need to be located in the CBD.

1520 Rutherford Lane:

The Rutherford Lane Campus (RLC) is the former Emerson Electric campus built in 1980 with a total of approximately 248,776 square feet of improvements. This campus currently houses approximately 695 City employees. In 2012 RSP ranked the building condition at 70% with over $2,000,000 in deferred maintenance. We recommend the City keep this building and reinvest in the facility as a long-term hold for administrative use. We also recommend that a study be done of all departments occupying this building to review the best long-term occupancy strategy and for which departments. The building needs investment to bring it in line with current space standards and to upgrade building amenities.

Key Observations and Recommendations

4201 Ed Bluestein Boulevard:

This building, known as Technicenter, has approximately 93,514 square feet and was originally built in 1960. The building currently houses approximately 236 City employees and is in very poor condition. In 2012 RSP ranked this building at a 67% condition score with approximately $800,000 in deferred maintenance. The City Fire Department Headquarters is in this building in less than satisfactory conditions. The Fire Department went through a departmental programming exercise in 2015 under a different Fire Chief. It is time to update that program and establish a plan to relocate the occupants of this building. We recommend selling the asset unless there is some known reason to hold the property for another City use.

721 Barton Springs Road:

Town Lake Center (TLC) is another one of the few quality assets the City has in the near downtown area. The property is currently occupied by Austin Energy and will be vacated when Austin Energy moves their operations to the new Mueller building. The property has approximately 109,944 square feet and appears to be in relatively good condition. The floorplates and design are more functional than One Texas Center and would be easier to bring up near current space standards. We recommend this building be studied along with One Texas Center and the Municipal Building as part of a long-term strategy addressing administrative office occupancy needs in the CBD and near the existing City Hall. Further review of this building was done as a part of this study and included below.

It is apparent in working through this office occupancy study that the City has departments and functions that are best served being near City Hall or in the urban core. As Austin has boomed in recent years the urban core has become highly desirable to employers, employees, residents and visitors. We highly recommend that the City holistically evaluate the long-term administrative office needs for the urban core. As a part of that study the City has three existing assets (One Texas Center, Town Lake Center and the Municipal Building) that could help solve for the demand for space or could be monetized to help fund a new solution. As a part of this study we selected One Texas Center and Town Lake Center and performed some very preliminary computer-generated modeling to explore various layouts and the impact on the occupancy efficiency. Our preliminary findings are outlined in the case studies on the following pages.

Key Observations and Recommendations

In this configuration of the 7th floor of One Texas Center (OTC), we tested a theoretical high-density layout, incorporating as many 6x8 workstations as would fit into the space and still provide adequate circulation. There is one breakroom, one copy/print room, one storage space, and one filing room and is without conference rooms, support space, or adequate shared amenity space. In this configuration, the floor can accommodate 96 people, while the current layout of the 7th floor of OTC accommodates 107 people. As this layout illustrates, renovating and backfilling OTC using the City's new administrative space standards will result in a decrease in the number of employees the building can accommodate overall. This layout is not a realistic one but is intended to show the inefficiencies of the oddly shaped floorplate of the building. Simply stated, this building cannot become more efficient while at the same time incorporating new administrative space standards. The next layout will look at a more realistic floorplan.

Plans by **CBRE**

One Texas Center

505 Barton Springs

96	17,463	182
HEADCOUNT	RSF	RSF / SEAT

96 100%	0
OPEN SEATS	ENCLOSED SEATS

96 100%	0
WORK SEATS	COLLAB SEATS

Workstation	96
Café	4
Support Space	3

Case Study

Key Observations and Recommendations

In this configuration of the 7th floor of One Texas Center (OTC), we designed a layout that incorporated 76% open seating, 24% enclosed office space, multi-sized conference facilities for ad hoc collaboration as well as larger meeting rooms, and support space to accommodate the number of people on the floor. This layout represents a healthy work environment, incorporating the City's space standards and best practices from the private sector to engage employee collaboration and increase employee satisfaction. Due to the shape of the building, the layout further decreases the number of employees that can be housed in the space from 107 today to 71 in this type of environment. We will take this same approach to review 721 Barton Springs, commonly known as Town Lake Center.

Plans by **CBRE**

One Texas Center

505 Barton Springs Rd.

71	17,463	246
HEADCOUNT	RSF	RSF / SEAT

54 76%		24% 17
OPEN SEATS		ENCLOSED SEATS

71 58%		42% 52
WORK SEATS		COLLAB SEATS

Workstation	54
Office	17
Breakout	2

Case Study

Key Observations and Recommendations

In this layout, we tested a theoretical configuration to understand the maximum density of the floorplate at Town Lake Center. The space incorporates as many 6x8 workstations as would fit, while maintaining minimum circulation requirements. The space has no conference rooms or collaborative space, but does incorporate some filing, copy, and break rooms. In this high-density configuration, 230 employees could be accommodated, whereas the space today is fitted out for 160 employees. Because the floorplates in this building are large and rectangular, it allows for additional flexibility in the configuration. One challenge this building poses for increased density is the limited parking available in the garage. While the layout can support more employees, the parking may limit that density. Off-site parking might be considered as a solution if available in nearby City facilities. The next layout will look at a recommended floorplan for the space, that includes a mix of open and closed workstations, along with adequate support and collaborative spaces incorporated.

Plans by **CBRE**

Town Lake Center

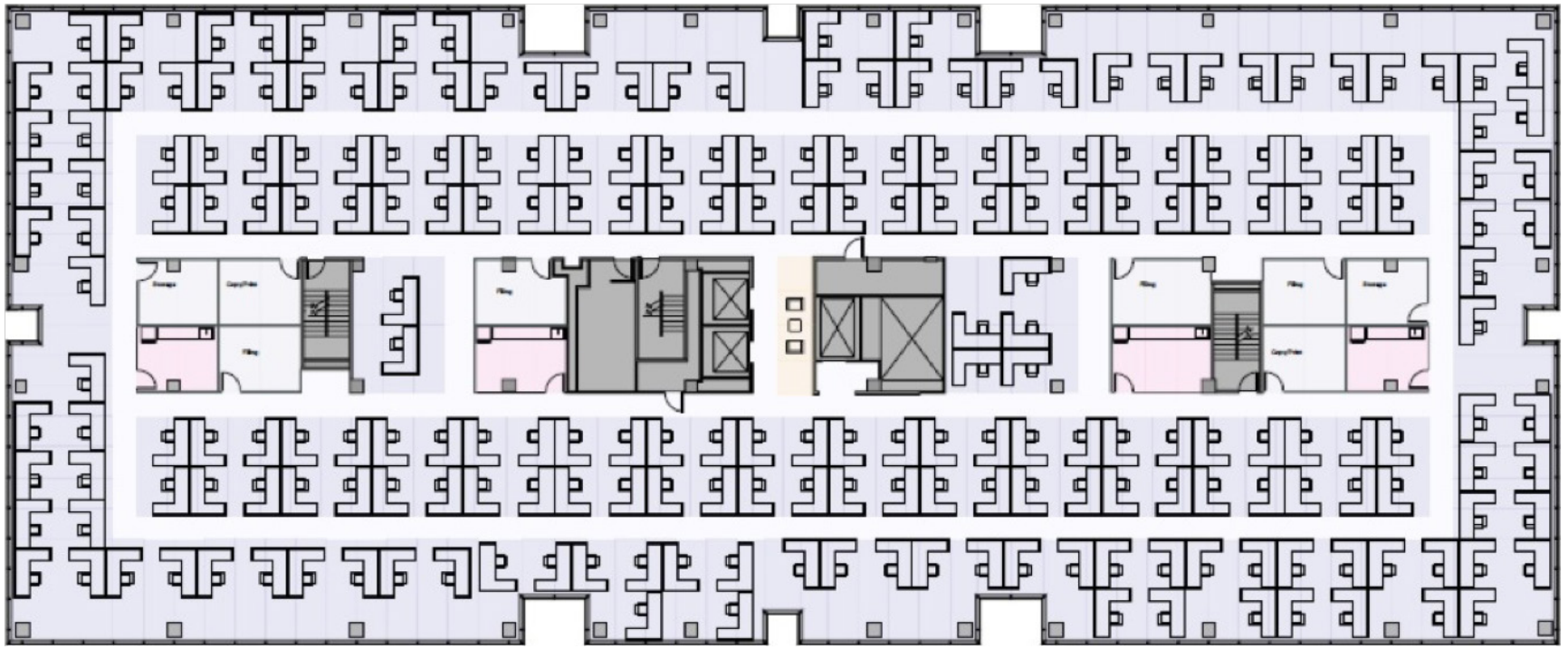
721 Barton Springs Rd.

153	23,637	155
HEADCOUNT	RSF	RSF / SEAT

122 80%	20% 31
OPEN SEATS	ENCLOSED SEATS

153 68%	32% 71
WORK SEATS	COLLAB SEATS

Workstation
Office
Breakout
Conference Room
Huddle Room
Reception
Support Space



Case Study

Key Observations and Recommendations

This floorplan implements modern workplace design by putting offices near the core of the building and the workstations along the perimeter, to allow for deeper permeation of natural light into the building. The space also incorporates huddle rooms, lounge area, collaborative space, and support space throughout the floor. The number of employees that fit in this configuration is 153 versus the 160 that it can house today but is designed to meet the new administrative space standards and best practices for administrative space utilization.

Plans by **CBRE**

Town Lake Center

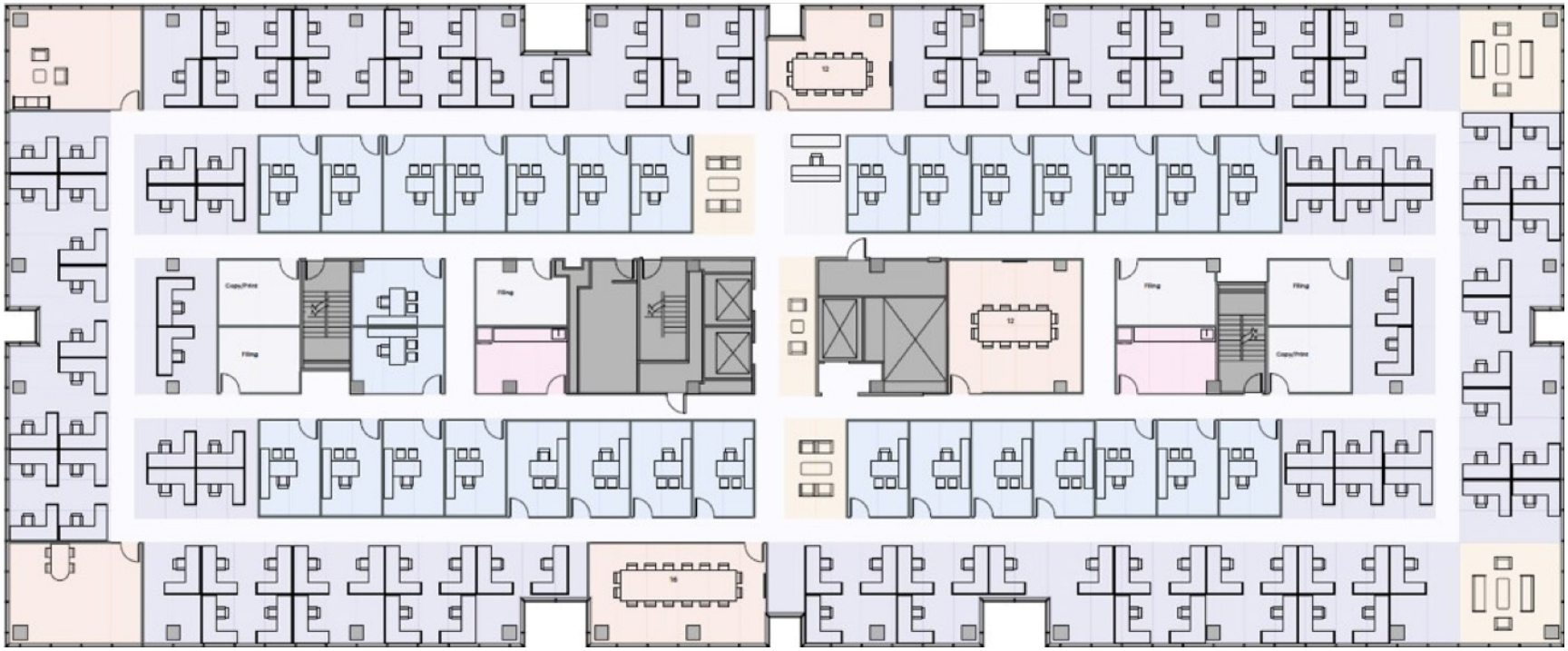
721 Barton Springs Rd.

153	23,637	155
HEADCOUNT	RSF	RSF / SEAT

122 80%	20% 31
OPEN SEATS	ENCLOSED SEATS

153 68%	32% 71
WORK SEATS	COLLAB SEATS

Workstation
Office
Breakout
Conference Room
Huddle Room
Reception
Support Space



Case Study

Key Observations and Recommendations

5 Implement and enforce workplace strategies.

A workplace can either enable or inhibit collaboration, productivity and affiliation among a workforce that is widely distributed, continuously connected and highly time constrained.

- CBRE's America's Occupier Survey 2018

The City currently occupies over two million square feet of administrative office space in which its departments provide services to the citizens of Austin. City employees, citizens and other visitors depend on this space to get their business done efficiently and effectively. Whether the space is in a publicly-owned building or a building leased from a private owner, the quality of the space can have a significant impact on the quality of the work performed and the quality of the interaction with the public, or the City's customers.

The layout of workstations amongst the various locations vary in size, furniture makeup, density and functionality. Key metrics gathered in the course of this study illustrate the current utilization and efficiency of the portfolio, broken down between the leased and owned assets. A general takeaway is that while owned assets consistently perform better than the leased, neither are designed to meet best practice benchmarks seen in the private sector for administrative office space.

Average Occupancy Efficiency Rate (RSF:Workstation):

This metric represents the average number of rentable square feet taken up by offices and workstations in the City's leased and owned space. The benchmark for administrative office space, as determined by the Administrative Space Program and applied in the new Planning and Development Center is approximately 222 rentable square feet per office or workstation, making the City's widely ranging use of space clearly higher than the new standards, especially in owned space. The Planning and Development Center has been considered for an even denser configuration using 6x6 workstations, rather than 6x8 which would bring the average occupancy efficiency rate to 184 rentable square feet per workstation. Unlike many of the City's existing spaces, this metric benchmark also includes amenities such as adequate conference rooms, huddle and private phone rooms, fitness facility, conference center, and cafeteria. The City can design space to become more efficient and appealing to employees but must make a concerted effort to enforce administrative space standards in all new and renovated space moving forward.

Lease: 289:1
Owned: 304:1
Combined Portfolio: 296:1

Occupancy Utilization Rate (RSF:FTE):

This metric represents the number of rentable square feet utilized to house a full-time employee in the City's leased and owned space. The benchmark for administrative office space in the market is approximately 261 rentable square feet per full time employee, assuming 85% occupancy, making the City's utilization rate very high. This is due in part to redundancies in space across the portfolio and a lack of flexible space that can be reconfigured to suit the City's changing needs.

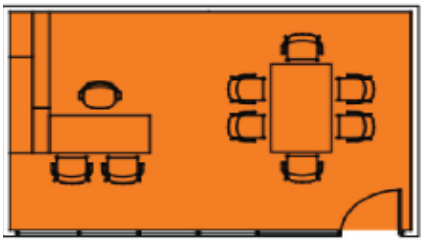
Lease: 393:1
Owned: 346:1
Combined Portfolio: 369:1

Key Observations and Recommendations

City Departments currently have no formal method by which to request and justify space needed for operations. This has resulted in many departments being spread across multiple locations across the City; distributed facilities that could be consolidated creates inefficient use of space and additional operational cost (e.g. staff drive times between facilities). Through the programming for the new Planning and Development Center at ACC/Highland Mall, the City created administrative space standards to support efficient and modernized use of administrative office space and to create standards by which furniture and IT/AV contracts could be streamlined. These standards are included in full in Appendix C and illustrated in part below.

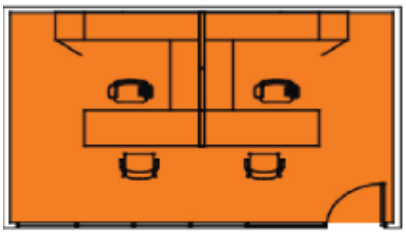
Preliminary Space Standards Summary

Office and workstation standards



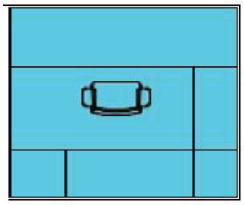
Large Office - 300 SF

Standard Office - 150 SF

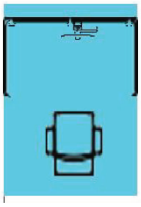


Standard Office - 150 SF

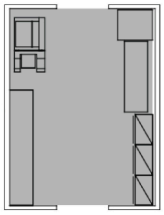
Other Support Space Standards



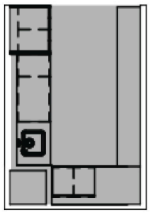
Standard workstation
6' x 8'



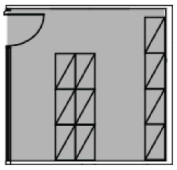
Touchdown station
5' x 6'



Copy room
150 SF

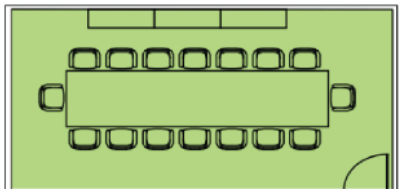


Coffee area
150 SF

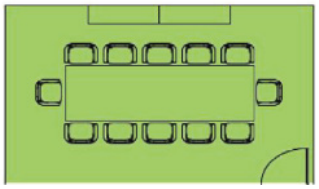


Filing/Storage
150 SF

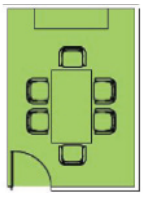
Meeting Space Standards



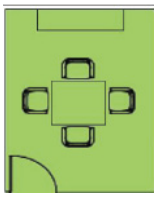
Medium meeting room
300 SF, 10 – 14 seats



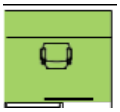
Small meeting room
150 SF, 5 – 9 seats



Huddle room
150 SF
2 - 4 seats



Huddle room
150 SF
2 - 4 seats



Focus room
75 SF
1 – 2 seats

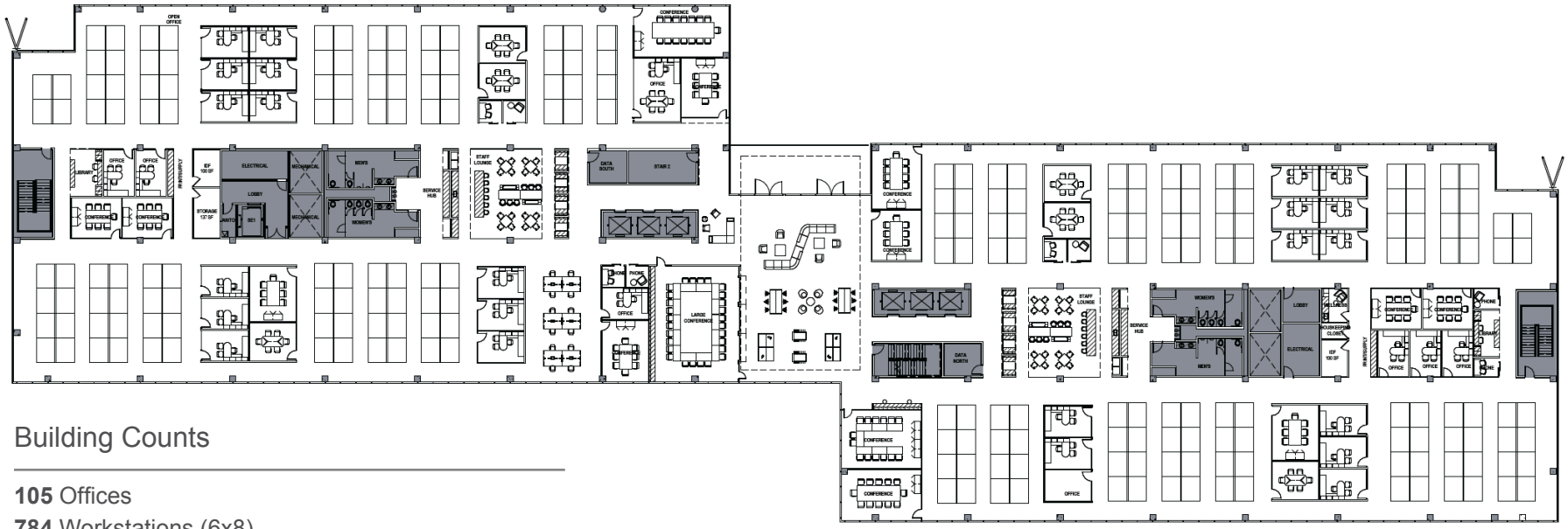
As a demonstration of the practical application of these improved administrative space standards, we look to the City's new Planning and Development Center, which is currently under construction and on time to deliver for occupancy in 2020. The following floor plan is the current space configuration of the 4th floor of the building and is representative of a modern layout with collaborative spaces, open layout, and the flexibility for future growth and reconfiguration.

Key Observations and Recommendations

New Planning and Development Center

Level 4

Floor Plan | Scale: 1/32' = 1'-0 | *Test fit



Building Counts

105 Offices
784 Workstations (6x8)
56 Touchdown
81 Field Staff (Shared Touchdowns)
4 Receptions

1,030 Total Building Headcount as Planned

NOTE: Test fit for density studies only. Final departmental programmatic needs to be allocated pending adjacency confirmation.

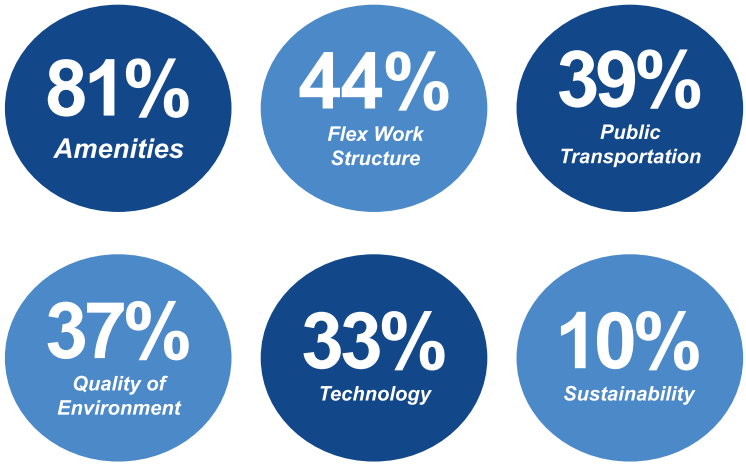
Average Planning and Development Center Space Plan Configuration

Workstation Type	Quantity	SF/Workstation	% of Total
Office*	105	165	10%
Workstation/Cubicle	784	48	76%
Touchdown	56	30	5%
Benching/Shared Touchdown	81	30	8%
Reception	4	64	1%
Total	1030		100%

***Blended 90/10 of 150 SF offices and 300 SF offices.**

The steps the City has taken to adopt these standards is an important first step in evaluating and redefining the modern City workplace. At present the City does not uniformly enforce these standards and as a result, in some cases the City occupies more space than is necessary to perform business functions. In others, not enough space is available to adequately provide for City employee and customer service needs, resulting in inefficient use of space, departmental inequities, and higher cost of furniture expenditures. Additionally, few of the City's spaces, owned or leased, incorporate amenities for their employees; an issue of ever-growing importance to the modern workforce. According to CBRE's America's Occupier Survey from 2018, 81% of respondents named amenities as the most important factor in their workspace.

What is most important to your workplace?



Key Observations and Recommendations

While updated programming and new facilities will alleviate many of these issues, we recommend the City put in place a comprehensive, long-term workplace strategies program that consists of the following key elements:

- Assign offices to staff based on need rather than job title standards and revise personnel standards for space allocation. This effort would require engaging human resources and a consultant that specializes in workplace strategies. While the functions of a city are unique, many of the administrative requirements mirror the private sector and best practices can be applied.

Continuum of workplace design standards

- Right-size administrative offices and support space to accommodate new ways of working including interconnected communications devices and enhanced collaboration concepts (i.e. conference facilities, breakout rooms, work cafés, etc.)
- Identify and re-stack properties to new standards, including amenities, and begin the back-fill process for assets deemed a long-term hold.
- Set an overall target density of 246 gross square feet/person (includes circulation, common spaces, etc.) Note that trends in space occupancy are trending downward and a 246 gross square foot target could be further reduced, depending on the culture of the organization, percentage of offices versus workstations, and proportion of field staff versus standard office workers. The target of 246 gross square feet/person could trend upward in spaces that are retrofitted or renovated in existing facilities where the floorplates or building configuration cannot meet that target density.
- Adopt a Request for Space Need (RSN) process whereby departments:
  i. formally request space,
  ii. establish locational boundaries,
  iii. demonstrate allocated budget, and
  iv. submit operational justification

Key Observations and Recommendations

- Departments complete a Space Allocation Worksheet (SAW) requesting the exact number of offices, work stations, conference rooms, specialized space, etc. in accordance with space utilization standards
- A centralized real estate asset management group approves both the RSN and SAW prior to new space being procured.
- Publish and communicate the new policies to affected stakeholder groups (Lessors, Lessees, City Departments, etc.).
- Incorporate amenities in new space to better attract and retain employees.
- Implement Furniture Best Practices - The best practice for selection of office furniture is selecting systems that can be easily changed over time, specifically the finish portions of the furniture such as fabric panels, desktops and trim. Since the frames of systems furniture do not change much over time, selecting a base system that can easily be re-configured serves as the best long-term solution. Lastly, unit pricing of the contract based upon the numbers received during the competitive bid process allows for long term purchasing and a set unit price over a multi-year term. This allows only the labor to be the variable for a re-configuration.
- Implement IT & AV Best Practices - For Internet technology and audio-visual systems, the most important factor is to install the infrastructure in locations that can be re-used even in a new configuration. For example, in small conference rooms there should be outlets installed in the wall as well as a floor outlet so that no matter the future use there will always be a connection for technology. Similarly, AV systems shall have infrastructure in the wall for monitor connections. The outlet on the wall or in the floor can serve as the table connection regardless of the configuration.

To move toward proactive workplace management requires tracking and demand forecasting, based on departmental operational needs and historical occupancy data that can be used to project future demand. Implementing space management software to continue to track these metrics is critical in planning for future needs. We recommend implementing a reoccurring data tracking system and periodic forecasting. With the data to make informed decisions about future space needs, the City can then plan rather than react to growth that will occur.

Another critical proactive solution is planning new and renovated space to include room for growth to allow the City to adapt to a growing demand for space without needing to relocate employees. This planning can be done through design, incorporating future expansion space within a program to accommodate organic growth by a department and by building/acquiring more space than initially required. Designing floorplates to be generally open and flexible, allows the City space to reorganize as new workspaces are needed, with minimal renovation expense. Excess space that is forecasted to be used for future growth can be monetized through leasing or subleasing to third parties in the interim, creating a revenue source, and then recaptured for future needs as the demand occurs.

This proactive approach has a ripple effect across other occupancy planning tactics. As a result of adopting this process and proactive planning approach, the City will occupy only the space it requires, eliminating unnecessary leased property or owned locations, while providing for growth and flexibility in the future. Centralizing lease and owned real estate asset management authority will also improve compliance with a standardized lease process and support the City's ability to act strategically when making real estate decisions.

6 Perform departmental adjacency and programming analysis.

A key element of this study is the fact we physically walked all the identified buildings, whether leased or owned, to understand firsthand the quality and efficiency of these office spaces. In our observation the quality and efficiency of these spaces varied greatly with many of the poorest quality and least functional spaces being in owned facilities such as the Police, Fire and EMS buildings. These are arguably some of the most essential services of the City and we recommend, as did the 2012 RSP study, that it is time to relocate these departments into new functional space. Following soon behind these owned facilities are a number of large leases expiring in 2023, 2024, 2025 and 2026. We recommend prioritizing departmental programming by size and lease expiration date to implement a long-term lease to own portfolio occupancy strategy. In tandem with departmental and building programming efforts, we recommend a needs assessment for administrative office space to be located downtown to support City Hall functions and adjacencies. Based on experiences with the Planning and Development Center and Austin Energy Headquarters we found it takes approximately four to five years from start of programming to building occupancy.

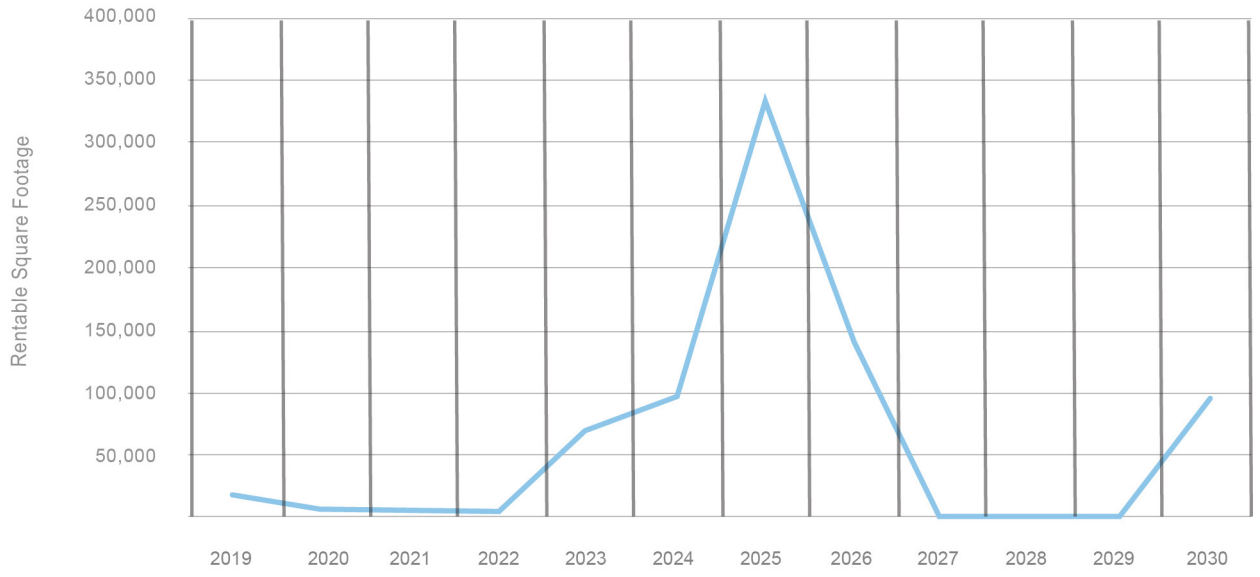
A common theme we heard in touring spaces and talking to staff is the desire for more collaboration, more opportunities for professional development, and workplaces that support employee creativity, productivity and wellbeing. This was also clearly identified in the 2012 RSP study. These staff identified priorities, coming from various ranks within the organization, can be supported through a detailed, comprehensive departmental programming process that looks at strategic adjacencies for increased productivity between and within departments, locational consolidation opportunities, integrated collaborative environments that inspire interdepartmental communication and interaction, modern workspaces that support workflow and opportunities for shared state of the art training and community spaces. Geographic location consideration should also be considered for departments to enhance cost efficiencies as well as departmental effectiveness.

Departmental programming efforts should be prioritized based on the immediacy of the facility's needs, whether due to a building's functional obsolesce, environmental concerns, or pending lease expiry and the size or operational impact of a department. We suggest the City complete holistic, comprehensive programming for all departments within this study within the next twenty-four months. We have identified pending space needs of over 1 million square feet within the next ten years. Consequently, it is important that programming be completed in the near term to meet anticipated new facility construction schedules, as well as make strategic decisions as to the future of the existing owned assets within this study's scope. The chart below identifies the City's lease expirations; we recommend prioritizing programming by the groups located in these spaces, according to most immediate expiration date along with the owned assets identified as functionally obsolete. Each department should be programmed holistically, regardless of whether they are currently divided among multiple locations.

Key Observations and Recommendations

Leased Buildings	Lease Expiration	Square Footage	Occupying Departments
105 West Riverside Drive	7/31/2020	2,054	PWD, WPD
5202 E. Ben White	3/31/2026	59,494	APHD
5202 E. Ben White	3/31/2026	9,868	EDD, CPO, HRD, ACD, ACD
5202 E. Ben White	5/31/2025	127,406	DSD, AE
919 Congress	2/28/2026	2,312	IGRO
919 Congress	12/14/2025	4,013	Treasury
Austin Energy Building	9/30/2023	71,920	AE, TARA, OPM, SMBR
Barton Oaks	8/31/2024	25,137	ATD
Bergstrom Technology Center	3/31/2030	96,000	Muni Ct.
Bergstrom Technology Center	5/31/2025	216,000	Fleet, PWD, CTM, APH
Brodie Oaks Center	4/30/2022	3,749	EDD
Cameron Technology Center	12/31/2025	60,750	ATD
Downtown Community Court	5/31/2020	4,900	Muni Ct. (DACC)
HACA Building	12/31/2024	45,554	CTM
Prosecutors	3/14/2022	2,930	Prosecutors
Silicon Laboratories Building	9/30/2019	10,566	Auditor
Snell Building	9/1/2021	7,174	Equity Office, HRD, CPIO
Street Jones Building	12/31/2024	26,456	NHCD
Travis County Administration Building	2/28/2019	4,934	Vacated
Travis County Administration Building	2/28/2019	1,707	Vacated

Lease Expiration by Year



7 Scale up process for development of new buildings.

The City has successfully proven that they can take a large multi-faceted department such as Planning and Zoning and Development Services Department or Austin Energy through a successful process which will result in a new, highly functional and flexible City owned assets that support key City values, departmental efficiency, improved customer service and long-term cost effectiveness. The City has the opportunity to refine and replicate this process to upgrade and/or convert to ownership another one million square feet of administrative office space over the next five to seven years. The chart below depicts the overall process from start to finish for each department or currently occupied building.

Key Observations and Recommendations

Following is a step by step outline of the process necessary to take a large department from their current situation into a quality City owned facility while leveraging the expertise of the local development community to save money and time in the process.

1. **Designate Team:** Determine key individuals within the department as primary contacts during the process to help direct the process management and act as change champions during the move. Also select individuals to act as the selection committee during the RFP process.

2. **Program:** Invite the designated team and strategic staff into the program process including all departments in various locations as well as completing an adjacency study.

3. **Building and Project Specifications:** Use the space program to create basic building specifications along with specialized needs, location requirements, parking requirements, security, fitness, amenities, etc. The Building and Project Specifications can be updated by the architect as well as the construction manager to inform the RFP process. Begin the change management process.

4. **Location Preferences and Departmental Adjacencies:** Study the program and use requirements for each department to determine which departments can co-locate, locate with other related groups for greater efficiency and decide if one or multiple sites are required. For example, does a department have a headquarter need (such as proximity to City Hall) that is different from general administrative needs (that can be in more cost-effective space outside of the CBD) and can they effectively operate in multiple locations?

5. **Evaluate Future Uses for Existing Assets:** Identify owned buildings that will be vacated as a part of this process and evaluate the potential re-use of existing assets for other departments or the monetization of unnecessary assets to help support the overall shift into new owned assets. This process should run concurrent with the planning, building and moving process so that the plan for the existing asset can be implemented when vacated by the current user.

6. **Develop RFP**: Combine information developed in this process to create a RFP for the development community to competitively bid on the development of a new facility based on approved program and building requirements.

7. **Launch RFP:** Launch the internally approved RFP to the market to solicit the best proposals possible for evaluation and review by the designated City team.

8. **Optimization Plan for Existing Assets:** Simultaneous to the launching of the RFP begin the evaluation and implementation processes for the re-use of existing assets or the monetization of existing buildings. The goal of this process is to optimize and update current spaces for use by new departments, monetize unusable assets to help defray new building costs, or lease potentially desirable strategic assets for a long-term hold by the City.

Key Observations and Recommendations

9. **Update Departmental Operating Procedures and Institute Change Management:** Begin the internal process of optimizing new internal processes and organizational change management to inform the space planning process and for an efficient transition into the new building.

10. **Select Top RFP and Negotiate:** Complete the RFP process with the designated selection team, obtain City Council approval, negotiate transaction documents, close agreements into escrow and begin project construction.

11. **Close Transaction and Move:** Close on the building upon completion and move departments as required.

12. **Implement Optimization Plan for Existing Assets:** As soon as the existing asset has been vacated it is time to implement plans to renovate and recapture the space for new departments or monetize based on the approved plan.

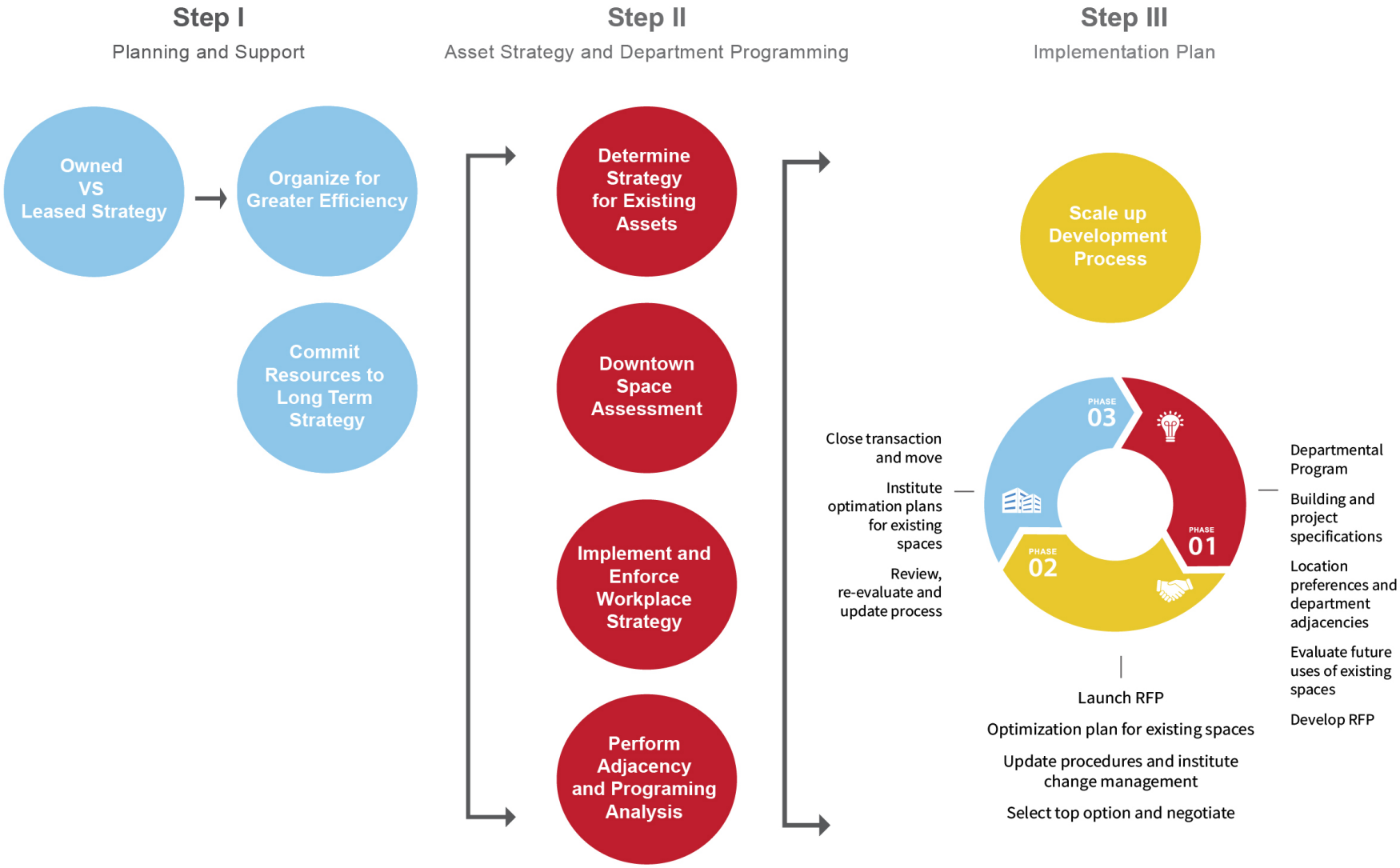
13. **Review and Re-evaluate:** The final step of the process is to review and re-evaluate all steps in the process for improved execution on future projects or to inform similar processes related to other City real estate needs.

05

Next Steps

Next Steps

The purpose of this study is to provide next steps to the 2012 RSP study in support of the City's key objectives and guiding principles related to improving employee working environments, improving employee and departmental productivity, converting from a predominant lease strategy to a long-term asset investment strategy, reducing long term costs to house administrative employees, improve the City's public facing image and support long term employee retention and attraction. Included herein are several recommendations and suggestions building upon the previous 2012 RSPi Study, which City staff began in 2011. Following is a very high level summary of important next steps for the City to continue their momentum and stay on track in moving toward more efficient and effective management of their administrative office portfolio:



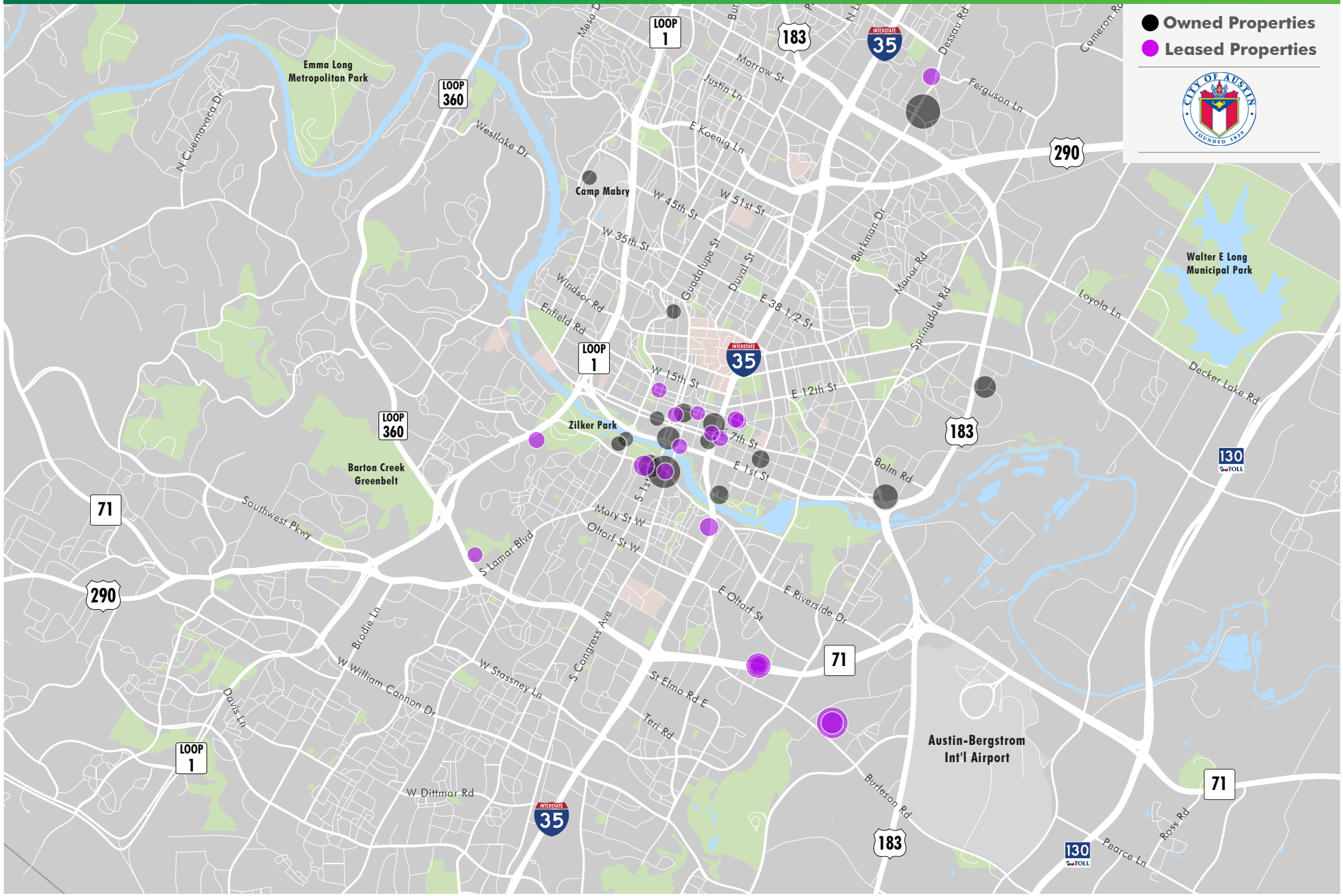
06

Appendix

A) Maps
B) Property Summaries
C) Administrative Space Standards
D) Class A Suburban New Construction Lease vs. Own Model
E) Class A CBD New Construction Lease vs. Own Model
F) Office MarketView Report Q1 2019
G) America's Occupier Survey 2018
H) RSP i_SPACE Strategic Facilities and Logistics Roadmap (Phase I, II + III Reports)

City of Austin Properties

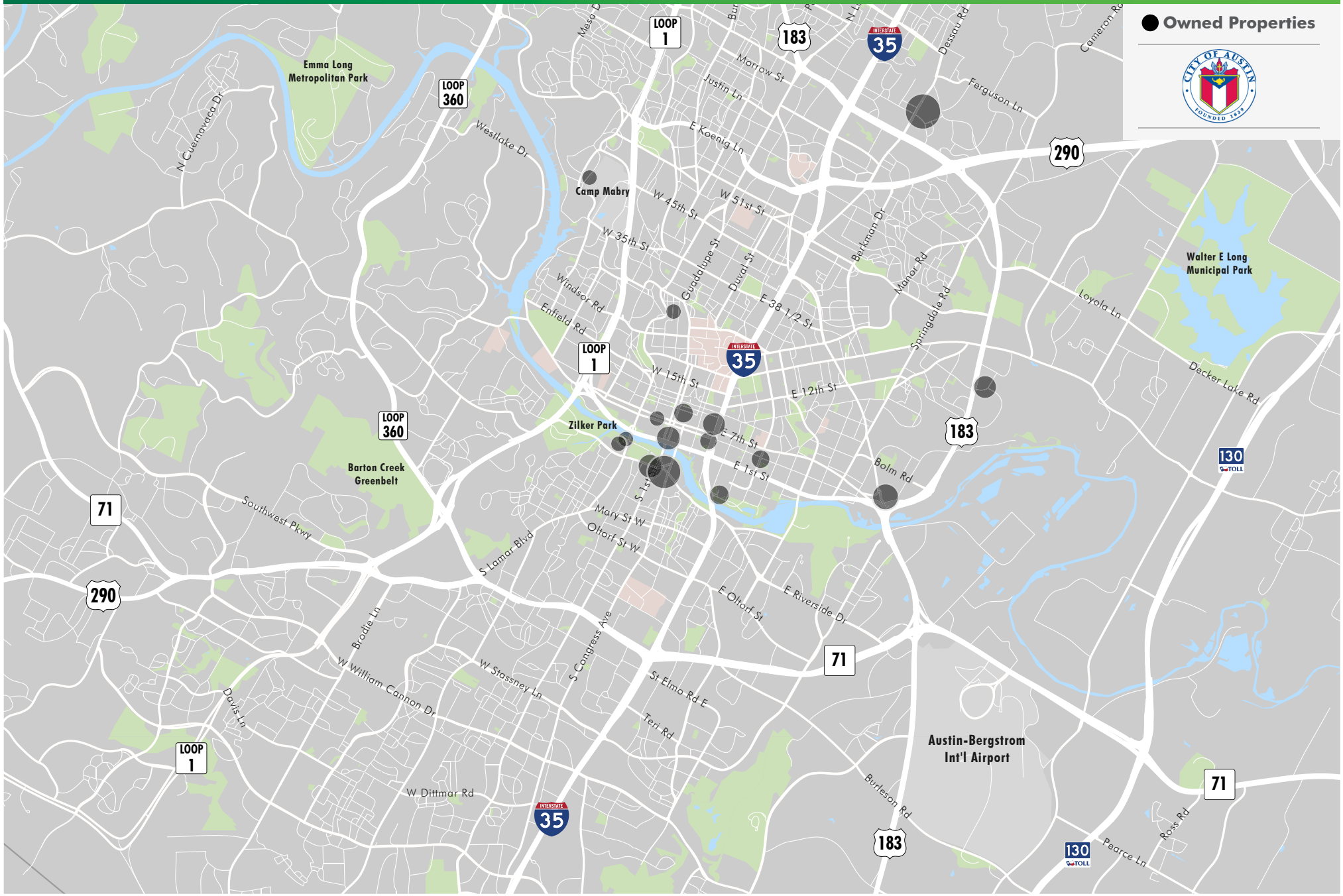
AUSTIN, TX



CBRE

City of Austin Properties

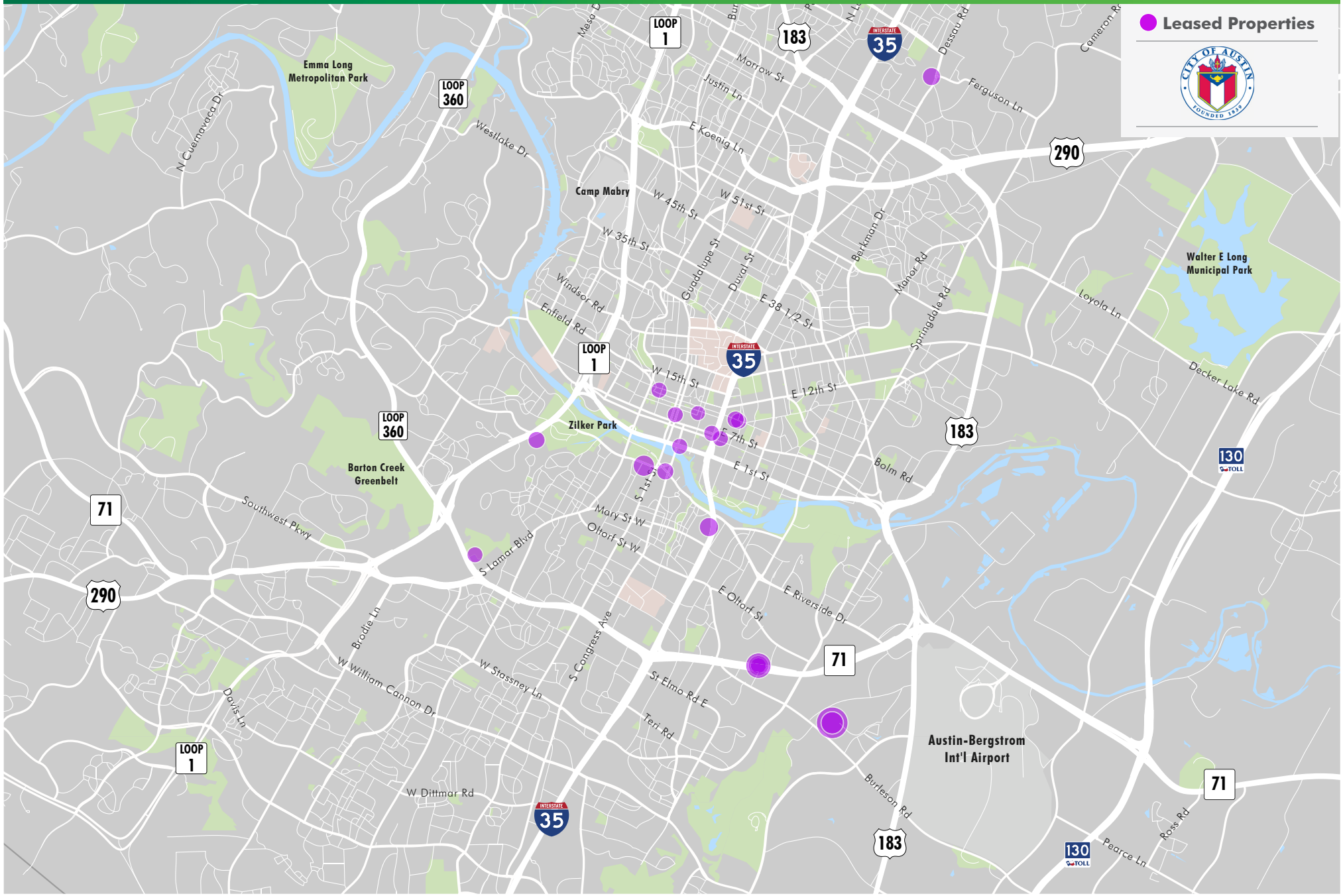
AUSTIN, TX



CBRE

City of Austin Properties

AUSTIN, TX



CBRE

Property Summaries

105 West Riverside Drive, Austin, TX 78704

Ownership Type:	Leased	**Building Construction Date:**	1970	**Gross Annual Occupancy Cost:**	$48,098	**Occupancy Efficiency Rate (RSF:Workstation):**	128:1
RSF Occupied:	2,054	**Building Age:**	49	**Average Annual Occupancy Cost per RSF:**	$23.42	**Occupancy Utilization Rate (RSF:FTE):**	147:1
Submarket:	South	**City Council District:**	9	**Average Annual Occupancy Cost per FTE:**	$3,436	**Space Occupancy Rate (% of FTE Occupying Workstations):**	88%

105 W. Riverside Drive is a leased asset nearing the end of the City's lease term in 2020. The Landlord has informed the City they will not renew the lease. Primarily housing Watershed Protection, the employees are in very close quarters and there is a deficit of storage space, conference rooms, and breakrooms. The building offers no amenities; however, the location is south central and is located very near One Texas Center, providing a nearby place for meeting space and come collaborative opportunities. This department has projected expansion of two new FTEs, but at present has no additional space within this building to expand.

5202 E. Ben White Boulevard, Austin, TX 78741

Ownership Type:	Leased	**Building Construction Date:**	1983	**Gross Annual Occupancy Cost:**	$1,607,786	**Occupancy Efficiency Rate (RSF:Workstation):**	212:1
RSF Occupied:	196,768	**Building Age:**	36	**Average Annual Occupancy Cost per RSF:**	$24.64	**Occupancy Utilization Rate (RSF:FTE):**	302:1
Submarket:	Southeast	**City Council District:**	3	**Average Annual Occupancy Cost per FTE:**	$7,245*	**Space Occupancy Rate (% of FTE occupying workstations):**	70%

5202 E. Ben White Boulevard is a leased asset in southeast Austin with a term that commenced in 2018 and will continue through 2026. The general condition and layout of the space is superior to much of the City's leased assets. At the time this property was toured, Development Services, the Corridor Program Office and Austin Energy were occupying the space. The City has a total of three individual leases in the building, only one of which was built out and occupied at the time of the tour. There are adequate storage spaces and conference facilities throughout, however the perception of ownership of various conference rooms presented conflicts between departments. Select sections of the space appeared vacant, however it was noted that Development Services has many employees that are field workers, occupying their desk for two hours or less during any given workday and a desire for hoteling or benching was offered as a desired layout revision. There are no amenities onsite nor in walking distance, a comment echoed repeatedly.

*Only 1 of the 3 spaces the City leases was build out and occupied at the time of the tour. The employees that will move into this space were counted in other locations. The occupancy data represented here takes into account only the employees that have already moved into the space.

Property Summaries

919 Congress Avenue, Austin, TX 78701

Ownership Type:	Leased	**Building Construction Date:**	1983	**Gross Annual Occupancy Cost:**	$240,362	**Occupancy Efficiency Rate (RSF:Workstation):**	N/A
RSF Occupied:	6,325	**Building Age:**	36	**Average Annual Occupancy Cost per RSF:**	$37.71	**Occupancy Utilization Rate (RSF:FTE):**	N/A
Submarket:	Central Business District	**City Council District:**	9	**Average Annual Occupancy Cost per FTE:**	N/A	**Space Occupancy Rate (% of FTE occupying workstations):**	N/A

919 Congress Avenue is a Class A office building in the central business district of downtown Austin with a term that commenced in 2018 and will continue through 2026. The building is close to many walkable amenities and has fairly efficient floorplates. Given the current Austin market, rental rates for the CBD are at an all-time high. Treasury and Intergovernmental Relations have moved from their offices at 700 Lavaca St. into this building under two individual leases, however they had not occupied the space at the time of the tour and were accounted for in their previous location. These departments both noted an operational need to be located downtown and near the Texas Capitol, respectively.

811 Barton Springs Road, Austin, TX 78704

Ownership Type:	Leased	**Building Construction Date:**	1986	**Gross Annual Occupancy Cost:**	$3,388,870	**Occupancy Efficiency Rate (RSF:Workstation):**	204:1
RSF Occupied:	71,920	**Building Age:**	33	**Average Annual Occupancy Cost per RSF:**	$47.12	**Occupancy Utilization Rate (RSF:FTE):**	249:1
Submarket:	South	**City Council District:**	9	**Average Annual Occupancy Cost per FTE:**	$11,726	**Space Occupancy Rate (% of FTE occupying workstations):**	82%

811 Barton Springs Road is a 9 story, Class A office building in south central Austin which the City has leased space in since 2011 with a term through 2023. The building is efficient, has adequate parking and has been occupied by Austin Energy. As employees move into the temporary space at 5202 E. Ben White and then into the new Austin Energy Headquarters at Mueller, multiple floors have been vacated. At the time of the tour, 5,873 rentable square feet of space on the 7th and 9th floors were vacant and no plans to backfill those spaces had yet been identified. As Austin's market has become evermore competitive, rental rates in the south central submarket have increased dramatically, which is especially true with such close proximity to downtown.

Property Summaries

901 South MoPac Expressway, Austin, TX 78746

Ownership Type:	Leased	**Building Construction Date:**	1997	**Gross Annual Occupancy Cost:**	$1,088,181	**Occupancy Efficiency Rate (RSF:Workstation):**	222:1
RSF Occupied:	25,137	**Building Age:**	22	**Average Annual Occupancy Cost per RSF:**	$43.29	**Occupancy Utilization Rate (RSF:FTE):**	265:1
Submarket:	South	**City Council District:**	8	**Average Annual Occupancy Cost per FTE:**	$11,455	**Space Occupancy Rate (% of FTE occupying workstations):**	84%

901 South MoPac Expressway is a 5-story, Class A building is south Austin with a lease term that commenced in 2018 and will continue through 2024. At the time the space was toured, the Austin Transportation Department (ATD) had just moved into the space three months prior. The layout is well suited to allow for collaboration and there is ample parking, conference facilities, and storage space. ATD is spread across multiple facilities throughout the city and from an operational perspective it was noted that additional efficiencies could be created through consolidation, but the space functions well for the operations of the department.

6800 Burleson Road, Austin, TX 78744

Ownership Type:	Leased	**Building Construction Date:**	1983	**Gross Annual Occupancy Cost:**	$8,967,705	**Occupancy Efficiency Rate (RSF:Workstation):**	N/A
RSF Occupied:	312,908	**Building Age:**	36	**Average Annual Occupancy Cost per RSF:**	$28.33	**Occupancy Utilization Rate (RSF:FTE):**	N/A
Submarket:	Southeast	**City Council District:**	2	**Average Annual Occupancy Cost per FTE:**	N/A	**Space Occupancy Rate (% of FTE occupying workstations):**	N/A

6800 Burleson Road is an office park located in southeast Austin with a lease term that will commence in 2019 and continue through 2029. The City has two individual leases in this office park, one for the City's Municipal Court facility that will continue through 2029 and one lease for approximately 216,000 rentable square feet that will expire in 2024, which is intended to serve as flexible space as the City reconfigures its long-term occupancy strategy. No employees currently occupy this space, thus no occupancy data is provided.

Property Summaries

4029 South Capital of Texas Highway, Austin, TX 78704

Ownership Type:	Leased	**Building Construction Date:**	1983	**Gross Annual Occupancy Cost:**	$108,387	**Occupancy Efficiency Rate (RSF:Workstation):**	750:1
RSF Occupied:	3,749	**Building Age:**	36	**Average Annual Occupancy Cost per RSF:**	$28.91	**Occupancy Utilization Rate (RSF:FTE):**	1,250:1
Submarket:	Southwest	**City Council District:**	5	**Average Annual Occupancy Cost per FTE:**	$36,129	**Space Occupancy Rate (% of FTE occupying workstations):**	60%

4029 South Capital of Texas Highway is a two-story, Class B office building in a shopping center with a lease term which commenced in 2011and will expire in 2022. The space is occupied by Economic Development's Small Business Development group and houses three full time employees along with a large training room to facilitate classes for small businesses. The occupancy efficiency and utilization rates in this space are the highest among all the City's space due to this large training room. This space is a prime candidate for consolidation as its primary purpose is single use, while a more centralized facility with a conference and training center, similar to the new Planning and Development Center would provide the opportunity for multiple departments to benefit from a large conference facility. The ample parking within the shopping center is critical when classes are held and for small business owners to come in to pay their loans, but the layout of the office is disruptive to the employees who work there as there is no formal separation of the public space from the offices. One employee noted that people will often wander past the public area into the office area, jeopardizing potentially sensitive documents and creating an awkward situation for the employees.

8700-8900 Cameron Road, Austin, TX 78754

Ownership Type:	Leased	**Building Construction Date:**	1999	**Gross Annual Occupancy Cost:**	$831,933	**Occupancy Efficiency Rate (RSF:Workstation):**	573:1
RSF Occupied:	60,750	**Building Age:**	20	**Average Annual Occupancy Cost per RSF:**	$13.69	**Occupancy Utilization Rate (RSF:FTE):**	769:1
Submarket:	Northeast	**City Council District:**	4	**Average Annual Occupancy Cost per FTE:**	$10,531	**Space Occupancy Rate (% of FTE occupying workstations):**	75%

8700-8900 are two one-story, Class B light industrial/flex buildings in northeast Austin, with the lease commencing in 2018 and continuing through 2025. The Austin Transportation Department occupies the entire space using some for administrative functions and some for specialized uses such as the traffic signal control center and sign and signal shop. This operational function requires some warehousing components, evidenced in the high occupancy efficiency and utilization rates. The department being spread between two buildings is not ideal, nor are there onsite or walkable amenities for the employees.

Property Summaries

719-721 East 6th Street, Austin, TX 78701

Ownership Type:	Leased	**Building Construction Date:**	1920	**Gross Annual Occupancy Cost:**	$136,550	**Occupancy Efficiency Rate (RSF:Workstation):**	181:1
RSF Occupied:	4,900	**Building Age:**	99	**Average Annual Occupancy Cost per RSF:**	$27.87	**Occupancy Utilization Rate (RSF:FTE):**	223:1
Submarket:	Central Business District	**City Council District:**	9	**Average Annual Occupancy Cost per FTE:**	$6,207	**Space Occupancy Rate (% of FTE occupying workstations):**	81%

719-721 East 6th Street is a one-story, Class C retail building in downtown Austin, with a lease commencement in 2001and continuing through 2020. The City's Downtown Community Court resides in the building and neither the community nor the employees are well served in this building. The operation functions of this department require security at the entrance, similar to what is found at City Hall, however the building was never designed for this type of use and makes the already small waiting area additionally cramped. The overall condition of the building is poor due to the functional obsolescence of the nearly 100 year old building. Employees reported incessant rodent infestations and uncomfortable working conditions in what is an already high stress occupation. Aside from extremely cramped working conditions, the elevator is from the original construction of the building and does not provide ADA access to the top floor of the building. The high traffic through the space results in extraordinary wear and tear on the building and requires janitorial services multiple times a day. The services provided be this department necessitate a downtown presence, but this space is in very poor condition and should be considered a priority for relocation after the existing lease term.

1124 South Interstate Highway 35, Austin, TX 78704

Ownership Type:	Leased	**Building Construction Date:**	1978	**Gross Annual Occupancy Cost:**	$917,603	**Occupancy Efficiency Rate (RSF:Workstation):**	171:1
RSF Occupied:	45,554	**Building Age:**	41	**Average Annual Occupancy Cost per RSF:**	$20.14	**Occupancy Utilization Rate (RSF:FTE):**	176:1
Submarket:	South	**City Council District:**	9	**Average Annual Occupancy Cost per FTE:**	$3,543	**Space Occupancy Rate (% of FTE occupying workstations):**	97%

1124 South Interstate Highway 35 is a three-story, Class B office building in south Austin, with a lease commencement in 2009 and continuing through 2024. A distinct financial advantage of this building is the colocation with another tax-exempt entity which owns the building, allowing the City to maintain its tax exemption on ad valorem taxes. As evidenced in the occupancy efficiency and utilization metrics, the employees in this space are incredibly cramped. There is no room for expansion and the density is such that some cubicles house two and three employees each. The Communications and Technology Management (CTM) department which occupies the majority of space within the premises does an impressive job of maintaining records of where each employee is located within the space and we noted this was necessary due to the density of the layout. The condition of the buildings is deteriorating and reports such as roof leakages requiring mold remediation and damage to personal property have necessitated the City sending employees home due to unsafe working conditions. Reoccurring electrical shortages are common and the degradation of the parking garage has resulted in damaged vehicles. There are no onsite nor walkable amenities nor enough conference or storage space within the building. The role of employees in CTM are in the technology field and the condition of the space makes it difficult to recruit and retain talent in an already competitive environment.

Property Summaries

1104 West Avenue, Austin, TX 78703

Ownership Type:	Leased	**Building Construction Date:**	1953	**Gross Annual Occupancy Cost:**	$102,474	**Occupancy Efficiency Rate (RSF:Workstation):**	183:1
RSF Occupied:	2,930	**Building Age:**	66	**Average Annual Occupancy Cost per RSF:**	$34.97	**Occupancy Utilization Rate (RSF:FTE):**	209:1
Submarket:	Central Business District	**City Council District:**	9	**Average Annual Occupancy Cost per FTE:**	$7,320	**Space Occupancy Rate (% of FTE occupying workstations):**	88%

1104 West Avenue is a two-story house with a basement in downtown Austin, with a lease that commenced in 2017 and will continue through 2022. The building is occupied by the city prosecutors who split their time between these offices and the Municipal Court building. Once the Municipal Court building is relocated to southeast Austin in late 2019, the ability of these employees to effectively move between their required work locations will be difficult. The building itself is poorly suited to the operations of this group, namely because it is an old house and not intended for administrative office use. Upon entering the building, you are in a room with three employees and effectively standing in their workstations. The prosecutors perform sensitive work and are not afforded the privacy necessary for their job functions. Multiple 'offices' are set up in what was once bedrooms and there is not enough storage space nor adequate conference facilities or restrooms. The building does not have an elevator and any person with physical disabilities requiring a wheelchair would not be able to access the building. There are no onsite and limited walkable amenities.

200 West Cesar Chavez, Austin, TX 78701

Ownership Type:	Leased	**Building Construction Date:**	2000	**Gross Annual Occupancy Cost:**	$543,240	**Occupancy Efficiency Rate (RSF:Workstation):**	311:1
RSF Occupied:	10,566	**Building Age:**	19	**Average Annual Occupancy Cost per RSF:**	$51.41	**Occupancy Utilization Rate (RSF:FTE):**	440:1
Submarket:	Central Business District	**City Council District:**	9	**Average Annual Occupancy Cost per FTE:**	$22,635	**Space Occupancy Rate (% of FTE occupying workstations):**	71%

200 West Cesar Chavez is six-story, Class A office building in downtown Austin, with a lease that commenced in 2013 and will continue through 2019. The Auditors are located in this space and appreciate the proximity to City Hall. While there were some request for additional meeting and conference space, the layout of the space is generous, as evidenced in the occupancy efficiency and utilization rates. The condition of the space is excellent, and onsite and walkable amenities are available. The biggest disadvantage of this space is the high rental rate and the fact that regardless of the fact that the building is on a ground lease owned by the City, as a Tenant, the City is not able to receive tax exempt status for ad valorem taxes, thus making this the most expensive leased asset in the City's portfolio per rentable square foot.

Property Summaries

1050 East 11th Street, Austin, TX 78702

Ownership Type:	Leased	**Building Construction Date:**	2004	**Gross Annual Occupancy Cost:**	$284,234	**Occupancy Efficiency Rate (RSF:Workstation):**	153:1
RSF Occupied:	7,174	**Building Age:**	15	**Average Annual Occupancy Cost per RSF:**	$39.62	**Occupancy Utilization Rate (RSF:FTE):**	224:1
Submarket:	East	**City Council District:**	1	**Average Annual Occupancy Cost per FTE:**	$8,882	**Space Occupancy Rate (% of FTE occupying workstations):**	68%

1050 East 11th Street is a three-story, Class B office building with ground floor retail located in central east Austin, with a lease that commenced in 2016 and will continue through 2021. The City's corporate HR, Equity Office, Equal Employment and Fair Housing department, and Communications and Public Information groups are all located in this space. Overall, the facility is modern, in good condition, and serves the needs of the employees in the space. Employees noted the need for additional conference rooms, collaborative work spaces and more formal reception areas in the public serving offices. The area offers a variety of walkable amenities that serve the employee base and the location is ideal. As this submarket continues to boom, the discount rental rates that had been available on the east side of IH 35 are beginning to edge closer to those found in the Central Business District.

1000 East 11th Street, Austin, TX 78702

Ownership Type:	Leased	**Building Construction Date:**	2004	**Gross Annual Occupancy Cost:**	$1,149,014	**Occupancy Efficiency Rate (RSF:Workstation):**	262:1
RSF Occupied:	26,456	**Building Age:**	15	**Average Annual Occupancy Cost per RSF:**	$43.43	**Occupancy Utilization Rate (RSF:FTE):**	407:1
Submarket:	East	**City Council District:**	1	**Average Annual Occupancy Cost per FTE:**	$17,677	**Space Occupancy Rate (% of FTE occupying workstations):**	64%

1000 East 11th Street is a four-story, Class B office building with ground floor retail located in central east Austin, with a lease that commenced in 2002 as part of an economic development initiative and will continue through 2021. The City's Neighborhood housing and Development and Austin Housing Finance Corporation occupy the majority of the leased space. Overall, the facility is modern, in good condition, and serves the needs of the employees in the space. Employees noted the need for additional conference rooms and the need for some updates to HVAC and single pane windows for greater energy efficiency and comfort. The area offers a variety of walkable amenities that serve the employee base and the location is ideal. As this submarket continues to boom, the discount rental rates that had been available on the east side of IH 35 are beginning to edge closer to those found in the Central Business District.

Property Summaries

700 Lavaca Street, Austin, TX 78701

Ownership Type:	Leased	**Building Construction Date:**	1979	**Gross Annual Occupancy Cost:**	$181,689	**Occupancy Efficiency Rate (RSF:Workstation):**	347:1
RSF Occupied:	3,321	**Building Age:**	40	**Average Annual Occupancy Cost per RSF:**	$27.36	**Occupancy Utilization Rate (RSF:FTE):**	419:1
Submarket:	Central Business District	**City Council District:**	9	**Average Annual Occupancy Cost per FTE:**	$11,462	**Space Occupancy Rate (% of FTE occupying workstations):**	83%

700 Lavaca Street is a 15-story, Class B office building in downtown Austin, owned by Travis County. Treasury and Intergovernmental relations had leased space in this building since 2015 and were in the space at the time of the tour, but have since moved to 919 Congress Avenue.

7201 Levander Loop, Austin, TX 78721

Ownership Type:	Owned	**Building Construction Date:**	1961	**Gross Annual Occupancy Cost:**	$2,262,602	**Occupancy Efficiency Rate (RSF:Workstation):**	945:1
RSF Occupied:	138,008	**Building Age:**	58	**Average Annual Occupancy Cost per RSF:**	$16.39	**Occupancy Utilization Rate (RSF:FTE):**	1,070:1
Submarket:	East	**City Council District:**	3	**Average Annual Occupancy Cost per FTE:**	$17,540	**Space Occupancy Rate (% of FTE occupying workstations):**	88%

This is an interesting property in a redeveloping area. The property has approximately 138,008 square feet and houses the Animal Shelter in one large building along with Public Health and Human Services in what was the former Texas Blind, Deaf and Orphan School for Colored Youth. The remaining buildings are used as administrative offices but were intended as institutional facilities and have issues such as electricity on only one side of the wall. Employees noted a severe deficiency in conference and storage facilities in all buildings and modern workplace amenities. The property has over 38 acres and could be considered for other long-term City uses as there appears to be adequate land for additional development. We suggest this property be considered as a long-term hold that can accommodate future uses as additional study is done on other City assets and an overall occupancy strategy.

Property Summaries

715 East 8th Street, Austin, TX 78701

Ownership Type:	Owned	**Building Construction Date:**	1970	**Gross Annual Occupancy Cost:**	$1,542,357	**Occupancy Efficiency Rate (RSF:Workstation):**	307:1
RSF Occupied:	94,077	**Building Age:**	49	**Average Annual Occupancy Cost per RSF:**	$16.39	**Occupancy Utilization Rate (RSF:FTE):**	366:1
Submarket:	Central Business District	**City Council District:**	9	**Average Annual Occupancy Cost per FTE:**	$6,001	**Space Occupancy Rate (% of FTE occupying workstations):**	84%

The Police Headquarters building was given a 67% condition rating by RSP in 2012 with over $3,300,000 in deferred maintenance noted at that time. The building is clearly in poor condition, over-crowded and functionally obsolete. Employees noted incessant rodent infestations and sewage plumbing breaks in workspaces. Parking is inadequate, requiring APD to enter in to expensive parking leases to provide enough spaces for the employees. In 2015 the Police Department Headquarters operation went through a programming exercise under a different Police Chief. We recommend updating the program needs and establish a plan to relocate the occupants of this building to new functional space that can support their operations now and for years to come. When vacated, the property should be considered for a ground lease to a developer so that the property can be redeveloped for market uses and the land can go back on the tax rolls to assist in the payment of Waller Creek TIF bonds. This a good site for the City to own long term.

1501 Toomey Road, Austin, TX 78704

Ownership Type:	Owned	**Building Construction Date:**	1966	**Gross Annual Occupancy Cost:**	$191,360	**Occupancy Efficiency Rate (RSF:Workstation):**	365:1
RSF Occupied:	11,672	**Building Age:**	53	**Average Annual Occupancy Cost per RSF:**	$16.39	**Occupancy Utilization Rate (RSF:FTE):**	402:1
Submarket:	Southwest	**City Council District:**	5	**Average Annual Occupancy Cost per FTE:**	$6,599	**Space Occupancy Rate (% of FTE occupying workstations):**	91%

This is a former small office and shop building originally built in 1976 with a total of approximately 11,346 square feet of improvements housing a portion of the Austin Transportation Department. The building sits on approximately 35,100 square feet of land and is directly across the street from Zach Theater and the PARD Headquarter building. Employees noted the need for better public facing lobby space and increased parking capacity for employees and public customers. The operational functions of this department require a high volume of public customer service and the space is not laid out to facilitate those types of interactions. Collaborative space and storage were also identified as deficient. We recommend that the City consider combining this property with other adjacent City Arts related uses or monetizing via a long-term ground lease to a developer for long term income and future control.

Property Summaries

1111 Rio Grande Street, Austin, TX 78701

Ownership Type:	Owned	**Building Construction Date:**	1961	**Gross Annual Occupancy Cost:**	$69,419	**Occupancy Efficiency Rate (RSF:Workstation):**	50:1
RSF Occupied:	4,234	**Building Age:**	58	**Average Annual Occupancy Cost per RSF:**	$16.39	**Occupancy Utilization Rate (RSF:FTE):**	59:1
Submarket:	Central Business District	**City Council District:**	9	**Average Annual Occupancy Cost per FTE:**	$964	**Space Occupancy Rate (% of FTE occupying workstations):**	85%

This is a small office building with adjacent parking used as both office space and vehicle storage. The building has approximately 4,234 square feet and was originally built in 1961. The property is small and uses in this building should be considered for consolidation into a larger lease occupancy and fleet strategy. Construction Services and Austin Transportation each occupy a floor in this building and both noted the lack of sufficient breakroom space, a need for conference rooms and storage, and a general modernization of facilities. A significant issue with the property is the lack of fleet vehicle storage on the property. Land in this part of town is valuable and hard to find. The building should be considered for possible long-term re-use by another City function or monetized through a lease or sale. The occupants of this building should be part of a larger study to determine which departments and personnel have a direct need to be located in the CBD.

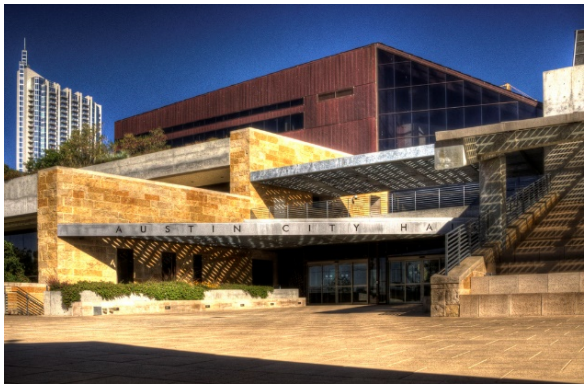
411 Chicon Street, Austin, TX 78702

Ownership Type:	Owned	**Building Construction Date:**	1955	**Gross Annual Occupancy Cost:**	$1,266,502	**Occupancy Efficiency Rate (RSF:Workstation):**	289:1
RSF Occupied:	48,491	**Building Age:**	64	**Average Annual Occupancy Cost per RSF:**	$26.12	**Occupancy Utilization Rate (RSF:FTE):**	351:1
Submarket:	East	**City Council District:**	3	**Average Annual Occupancy Cost per FTE:**	$9,178	**Space Occupancy Rate (% of FTE occupying workstations):**	82%

Building Services is located in a highly desirable near-East location with approximately 48,491 square feet of improvements originally constructed in 1955. The building sits on approximately 5.1 acres and is ripe for development or redevelopment. The property does provide good logistic access for Building Services and currently houses approximately 138 City employees as well as the centralized mail distribution facility and SWAT. We recommend further architectural due diligence to determine the viability of the site for redevelopment for denser City utilization or to monetize by a long-term ground lease for cash flow and future control of the property. The occupants of this building should be part of a larger study to determine which departments and personnel have a direct need to be located near the CBD. The Levander Loop property is one that we observed could be a potential new site for some of the functions currently located at 411 Chicon.

Property Summaries

301 W. 2nd Street, Austin, TX 78701



Ownership Type:	Owned	**Building Construction Date:**	2004	**Gross Annual Occupancy Cost:**	$3,279,800	**Occupancy Efficiency Rate (RSF:Workstation):**	293:1
RSF Occupied:	103,604	**Building Age:**	15	**Average Annual Occupancy Cost per RSF:**	$31.66	**Occupancy Utilization Rate (RSF:FTE):**	340:1
Submarket:	Central Business District	**City Council District:**	9	**Average Annual Occupancy Cost per FTE:**	$10,753	**Space Occupancy Rate (% of FTE occupying workstations):**	86%

City Hall was originally built in 2004 by renowned architect Antoine Predock and anchors the Second Street Retail District. The building has approximately 103,604 square feet, net of building core, and currently houses approximately 305 City employees. While the building appears to be in good condition, interior spaces have been compromised to increase headcount. While the usefulness of the building has been challenged by a shift from six to ten council seats and related occupancy pressure of a growing City, this is one of the few impressive public buildings in the City portfolio and should be maintained for a long-term hold. However, direct administrative office needs in and near the City Hall is cause for additional study on which personnel and departments need to be located in convenient proximity to this facility.

700 East 7th Street, Austin, TX 78701

Ownership Type:	Owned	**Building Construction Date:**	1953	**Gross Annual Occupancy Cost:**	$590,800	**Occupancy Efficiency Rate (RSF:Workstation):**	261:1
RSF Occupied:	36,036	**Building Age:**	66	**Average Annual Occupancy Cost per RSF:**	$16.39	**Occupancy Utilization Rate (RSF:FTE):**	271:1
Submarket:	Central Business District	**City Council District:**	9	**Average Annual Occupancy Cost per FTE:**	$4,442	**Space Occupancy Rate (% of FTE occupying workstations):**	96%

The Muni Court is relocating to southeast Austin and this building will be vacated. In 2012 RSP gave this building at a 68% condition rating and noted over $1,700,000 in deferred maintenance—which is ultimately why the court operations were forced to move into new facilities. The building has approximately 36,036 square feet and is intertwined with the Police Headquarters and Downtown Command in the same block. The combined property is approximately 2.74 acres and is now in the Waller Creek TIF district. We recommend this building be combined in a study with the neighboring Police building to relocate all functions out of these obsolete buildings that suffer from extensive deferred maintenance and overcrowding. The property should be considered for a ground lease to a developer so that the property can be redeveloped for market uses and the land can go back on the tax rolls to assist in the payment of Waller Creek TIF bonds. This is a good site for the City to own long term.

Property Summaries

124 West 8th Street, Austin, TX 78701

Ownership Type:	Owned	**Building Construction Date:**	1930	**Gross Annual Occupancy Cost:**	$518,992	**Occupancy Efficiency Rate (RSF:Workstation):**	350:1
RSF Occupied:	57,369	**Building Age:**	89	**Average Annual Occupancy Cost per RSF:**	$9.05	**Occupancy Utilization Rate (RSF:FTE):**	375:1
Submarket:	Central Business District	**City Council District:**	9	**Average Annual Occupancy Cost per FTE:**	$3,392	**Space Occupancy Rate (% of FTE occupying workstations):**	93%

This is the former City Hall originally built in 1930 with approximately 57,369 square feet, net of building core, and currently housing approximately 153 City employees. The building, or building façade, is potentially historic. In 2012 RSP ranked the building condition at 68% with over $1,000,000 in deferred maintenance leading to asbestos issues, rodent infestations, and mold issues. Parking is not adequate to support administrative office functions nor are there enough conference and breakrooms throughout the building. Employees resort to bringing their own minifridges into their offices, creating additional drain on already taxed building system. It is time to update the facility condition report along with a basic architectural study to determine whether the building makes sense for long term administrative use by the City. The building has a very good downtown location and we would recommend keeping the property for a City use or monetize through a long-term ground lease to a developer for income and future control. The occupants of this building should be part of a larger study to determine which departments and personnel have a direct need to be located in the CBD.

505 Barton Springs Road, Austin, TX 78704

Ownership Type:	Owned	**Building Construction Date:**	1983	**Gross Annual Occupancy Cost:**	$3,442,483	**Occupancy Efficiency Rate (RSF:Workstation):**	201:1
RSF Occupied:	212,858	**Building Age:**	36	**Average Annual Occupancy Cost per RSF:**	$16.17	**Occupancy Utilization Rate (RSF:FTE):**	236:1
Submarket:	South	**City Council District:**	9	**Average Annual Occupancy Cost per FTE:**	$3,817	**Space Occupancy Rate (% of FTE occupying workstations):**	85%

This is a well-located building just south of the river and City Hall on Barton Springs Road. The property is potentially part of the City's long-term vision for the South Central Waterfront District. The building has approximately 212,858 square feet, net of building core with potential expansion area on a surface parking lot. The building was originally constructed in 1983 and currently houses approximately 902 City employees. This is one of the few City building assets with very close proximity to City Hall. However, the building design and floorplate are not efficient by today's standards. The building also suffers from deferred maintenance and functional obsolescence. In 2012 RSP ranked the building condition at 71% with over $1,000,000 in deferred maintenance. We recommend the City immediately study this property to determine the long-term strategy for the asset, so the fate is clear when the Planning and Development Departments move out and into the new ACC/Highland facility. We recommend an architectural study to determine possible renovation, office restack and expansion possibilities along with general cost estimates. The occupants of this building should be part of a larger study to determine which departments and personnel have a direct need to be located in the CBD. Further review of this building was done as a part of this study and included below.

Property Summaries

919 West 28 ½ Street, Austin, TX 78705

Ownership Type:	Owned	**Building Construction Date:**	1980	**Gross Annual Occupancy Cost:**	$172,809	**Occupancy Efficiency Rate (RSF:Workstation):**	215:1
RSF Occupied:	10,541	**Building Age:**	39	**Average Annual Occupancy Cost per RSF:**	$16.39	**Occupancy Utilization Rate (RSF:FTE):**	264:1
Submarket:	Central	**City Council District:**	9	**Average Annual Occupancy Cost per FTE:**	$4,320	**Space Occupancy Rate (% of FTE occupying workstations):**	82%

This is a small one-story building located in a quiet West Campus neighborhood. The building has approximately 10,541 square feet and was originally constructed in 1980. The occupants of this building should be included in a larger study of PARD administrative office needs. We recommend incorporating PARD into a programming study to determine their overall office needs and incorporate that information into an action plan to address what seems to be an inefficient office situation. This property could be considered for another City use or sold for the highest value.

200 South Lamar Boulevard, Austin, TX 78704

Ownership Type:	Owned	**Building Construction Date:**	1976	**Gross Annual Occupancy Cost:**	$186,013	**Occupancy Efficiency Rate (RSF:Workstation):**	172:1
RSF Occupied:	11,346	**Building Age:**	43	**Average Annual Occupancy Cost per RSF:**	$16.39	**Occupancy Utilization Rate (RSF:FTE):**	189:1
Submarket:	Southwest	**City Council District:**	5	**Average Annual Occupancy Cost per FTE:**	$3,100	**Space Occupancy Rate (% of FTE occupying workstations):**	91%

This is a 11,346 square foot architecturally interesting building sitting on park land just west of Zach Theater. The building has obvious deferred maintenance but is worthy of investment to create an alternate use in conjunction with the overall PARD mission and values. As functional administrative office space, the building lacks storage and conference facilities and is constrained for future expansion. Employees reported equity issues around who has an office and of which size, as there is little uniformity to the layout. Heavy flooding has caused damage to the space on more than one occasion and the resulting cleanup is a distraction for employees. Rodent infestations have also been noted in this building and the age related condition of the building has made it undesirable for many employees. A related use could also be to support the neighboring arts facilities. We recommend a reinvest and hold strategy for this building, but not necessarily for the current PARD occupants. The office function would be best served moving into a more suitable office environment. The occupants of this building should be part of a larger study to determine which departments and personnel have a direct need to be located in or near the CBD.

Property Summaries

15 Waller Street, Austin, TX 78701

Ownership Type:	Owned	**Building Construction Date:**	1970	**Gross Annual Occupancy Cost:**	$697,988	**Occupancy Efficiency Rate (RSF:Workstation):**	274:1
RSF Occupied:	64,048	**Building Age:**	49	**Average Annual Occupancy Cost per RSF:**	$10.90	**Occupancy Utilization Rate (RSF:FTE):**	305:1
Submarket:	East	**City Council District:**	3	**Average Annual Occupancy Cost per FTE:**	$3,324	**Space Occupancy Rate (% of FTE occupying workstations):**	90%

This is a former nursing home facility originally built in 1970 with approximately 64,048 square feet, net of building core, and currently housing approximately 210 City employees. In 2012 RSP ranked the building condition at 70% with over $1,000,000 in deferred maintenance. The building is on a highly constrained site with insufficient parking. The surrounding property is currently being redeveloped by Central Health as independent living for seniors and people with disabilities. A variety of City departments are housed in this space, including EMS, Purchasing, Public Health, and Austin Code. We recommend the City re-use this asset for a related social impact purpose or monetize via a sale or long-term ground lease to become part of the Central Health development. The occupants of this building should be part of a larger study to determine which departments and personnel have a direct need to be located in or near the CBD.

1520 Rutherford Lane, Austin, TX 78754

Ownership Type:	Owned	**Building Construction Date:**	1980	**Gross Annual Occupancy Cost:**	$3,932,248	**Occupancy Efficiency Rate (RSF:Workstation):**	319:1
RSF Occupied:	248,776	**Building Age:**	39	**Average Annual Occupancy Cost per RSF:**	$15.81	**Occupancy Utilization Rate (RSF:FTE):**	358:1
Submarket:	Northeast	**City Council District:**	1	**Average Annual Occupancy Cost per FTE:**	$5,658	**Space Occupancy Rate (% of FTE occupying workstations):**	89%

This is the former Emerson Electric campus built in 1980 with a total of approximately 248,776, net of building core square feet of improvements. This campus currently houses approximately 695 City employees. In 2012 RSP ranked the building condition at 70% with over $2,000,000 in deferred maintenance. We recommend the City keep this building and reinvest in the facility as a long-term hold for administrative use. Employees reported, and we confirmed safety issues related to makeshift workstations that required extensive extension cord networks to electrify people's workstations. We also recommend that a study be done of all departments occupying this building to review the best long-term occupancy strategy for the building and for which departments. The building needs investment to bring it in line with current administrative space standards and to upgrade building amenities.

Property Summaries

4201 Ed Bluestein Boulevard, Austin, TX 78721

Ownership Type:	Owned	**Building Construction Date:**	1960	**Gross Annual Occupancy Cost:**	$473,328	**Occupancy Efficiency Rate (RSF:Workstation):**	352:1
RSF Occupied:	93,514	**Building Age:**	59	**Average Annual Occupancy Cost per RSF:**	$5.06	**Occupancy Utilization Rate (RSF:FTE):**	396:1
Submarket:	Southeast	**City Council District:**	1	**Average Annual Occupancy Cost per FTE:**	$2,006	**Space Occupancy Rate (% of FTE occupying workstations):**	89%

This building has approximately 93,514 square feet, net of building core and was originally built in 1960. The building currently houses approximately 236 City employees and is in very poor condition. In 2012 RSP ranked this building at a 67% condition score with approximately $800,000 in deferred maintenance. The City Fire Department Headquarters is in this building in less than satisfactory conditions. There are cracks in the walls and ceiling causing serious issues as a result of the faulty foundation. The layout of this space is extremely inefficient, and employees have created ad hoc breakrooms in cubicles; additionally, the majority of employee have a minifridge, coffee maker, microwave or other small appliance in their individual workstations, creating an extraordinary draw on the overtaxed electrical system. The only available elevators in this building are in the warehouse are and are the cargo elevators, requiring anyone with physical disabilities to go through an active warehouse area to access the 2nd floor. As the police and fire departments occupy a majority of the space and the makeup of those departments are majority male, there is an extreme deficit of ample restroom facilities for men. The Fire Department went through a departmental programming exercise in 2015 under a different Fire Chief. It is time to update that program and establish a plan to relocate the occupants of this building. We recommend selling the asset unless there is some known reason to hold the property for another City use.

721 Barton Springs Road, Austin, TX 78704

Ownership Type:	Owned	**Building Construction Date:**	1985	**Gross Annual Occupancy Cost:**	$1,803,314	**Occupancy Efficiency Rate (RSF:Workstation):**	168:1
RSF Occupied:	109,994	**Building Age:**	34	**Average Annual Occupancy Cost per RSF:**	$16.39	**Occupancy Utilization Rate (RSF:FTE):**	205:1
Submarket:	South	**City Council District:**	9	**Average Annual Occupancy Cost per FTE:**	$3,358	**Space Occupancy Rate (% of FTE occupying workstations):**	82%

This is another one of the few quality assets the City has in the near downtown area. The property is currently occupied by Austin Energy and will be vacated when Austin Energy moves their operations to the new Mueller building. The property has approximately 109,944 square feet, net of building core, and appears to be in relatively good condition. The floorplates and design are more functional than One Texas Center and would be easier to bring up near current administrative space standards. We recommend this building be studied along with One Texas Center and the Municipal Building as part of a long-term strategy addressing administrative office occupancy needs in the CBD and near the existing City Hall. Further review of this building was done as a part of this study and included below.

CITY OF AUSTIN

Program of Requirements for Administrative Office

Introduction

This Program of Requirements for Administrative Office outlines the general guidelines for leased and owned administrative facilities for the City of Austin. This program has been developed to guide City departments and staff in the planning of their real estate needs for administrative office space.

Purpose

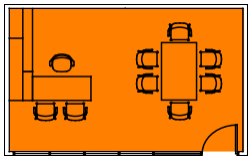
The purpose of this program report is to show space requirements for administrative office needs in leased and owned facilities. As such, this information will be used to plan for the renovation of existing facilities as well as the development of future facilities.

Information Sources

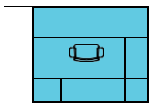
Primary information for this document was gathered from City of Austin department leaders and staff members from surveys, tours, leadership interviews, professional consultants and follow-up meetings conducted during July-November 2015.

Preliminary Space Standards Summary

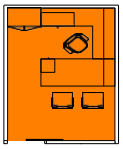
Office and workstation standards



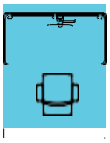
Large Office
300 SF



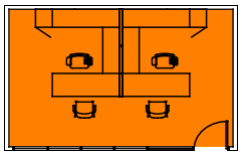
Standard workstation
6’ x 8’



Standard Office
150 SF

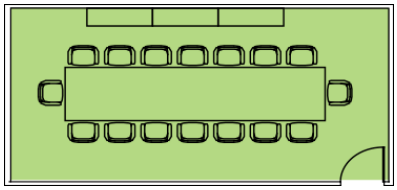


Touchdown station
5’ x 6’

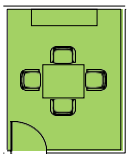


Standard Office
150 SF

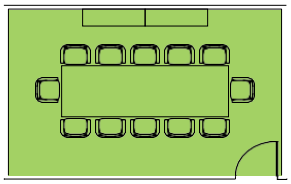
Meeting Space Standards



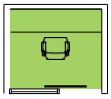
Medium meeting room
300 SF, 10 – 14 seats



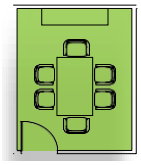
Huddle room
150 SF, 2 - 4 seats



Small meeting room
150 SF, 5 – 9 seats

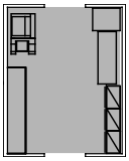


Focus room
75 SF 1 – 2 seats

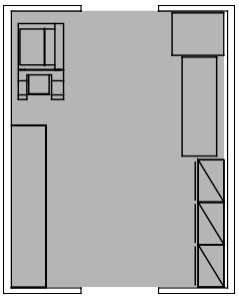


Huddle room
150 SF, 2 - 4 seats

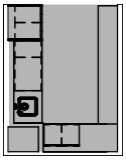
Other Support Space Standards



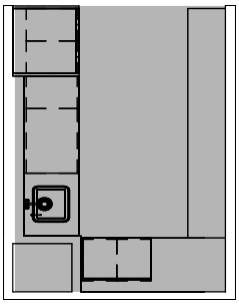
Copy room
150 SF



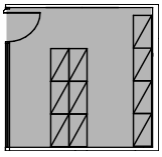
Larger view



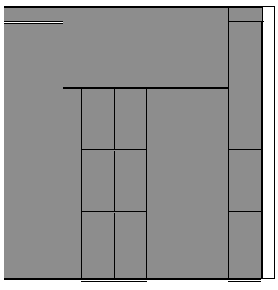
Coffee area
150 SF



Larger view



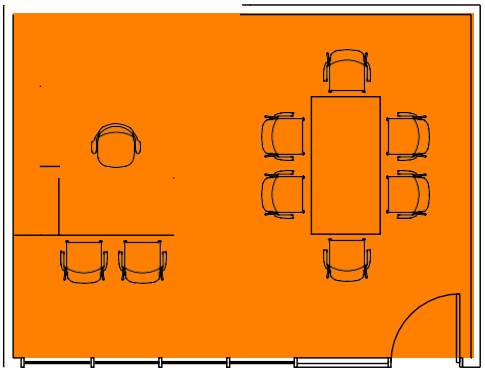
Filing/Storage
150 SF

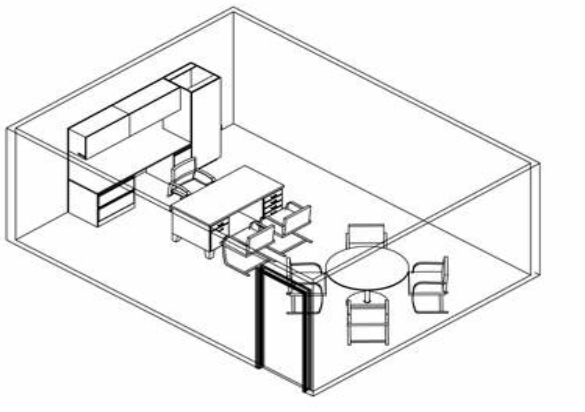


Larger view

Office Descriptions

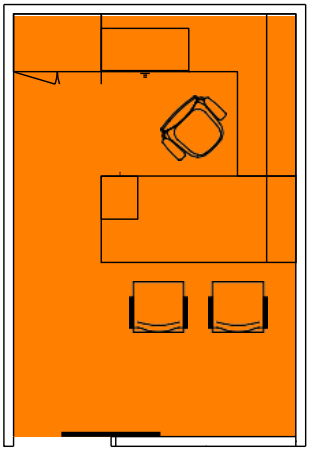
Large Office – 300 SF 15’ x 20’





Office Descriptions

Standard Office – 150 SF 10’ x 15’

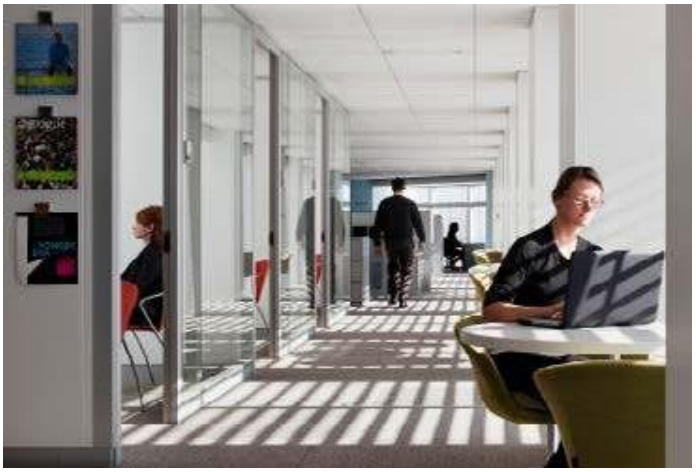


Office Design Considerations

- Most enclosed offices are the same size. Where the staff function includes a ceremonial aspect or vert frequent small meetings, an adjacent team room is provided. This allows the team room to be easily converted to shared usage if the function or incumbent changes.

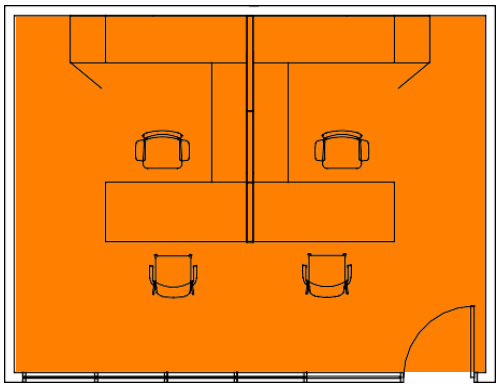
- Wherever possible, offices should be in the interior of a floor, so they do not obstruct views. They should be provided with glass fronts to maximize the transmission of light, whether from daylight or internal lighting.

Examples



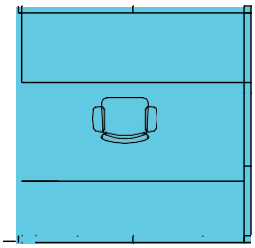
Office Descriptions

Shared Office – 300 SF 15’ x 20’



Workstation Descriptions

Standard workstation 48 SF 6’x8’ + some secondary circulation



Workstation Design Considerations

- Solid panels between workstations should not exceed 42” in height from the floor. That height provides visual privacy while the occupant is seated but does not obstruct light.

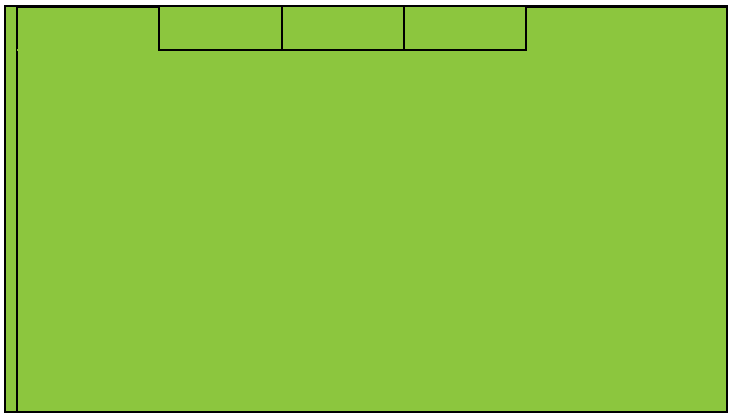
- A transparent panel may be added on top of the solid 42” panel for additional separation if desired.
- Computer monitors can serve as visual privacy panels.
- Workstation components should provide sufficient storage for immediate hard copy needs.
- Personal storage at personal workspaces should be able to accommodate a change of clothes and/or other personal effects.

Examples



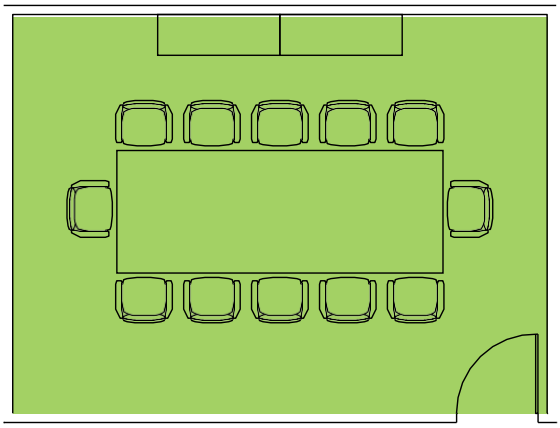

Meeting Space Descriptions

Large Conference 15+ seats 450+ SF This report uses 450 SF



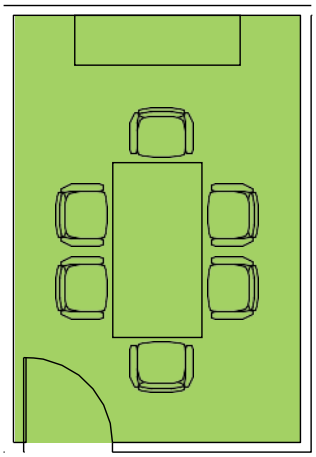
Meeting Space Descriptions

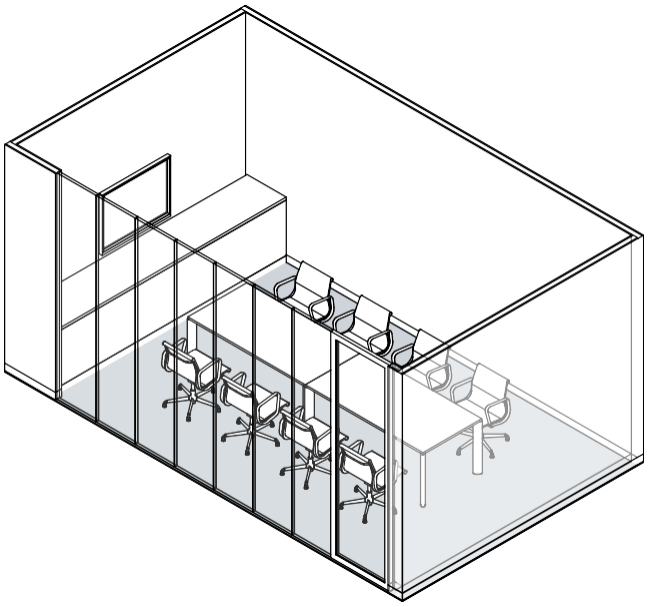
Medium Conference 10 – 14 Seats 300- 400 SF This report uses 300 SF



Meeting Space Descriptions

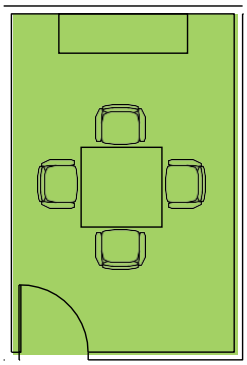
Small Conference 5 – 9 seats 150 – 240 SF This report uses 150 SF





Huddle Room

2 – 4 seats 110 – 150 SF This report uses 120 SF



Meeting Space Design Considerations

- In large meeting rooms, furniture can be arranged in several different ways to suit the style of the presentation or the type of learning activities.

- Standard meeting spaces should provide the flexibility for formal and informal furniture options. Furnish rooms with amenities such as whiteboards, projections screens, and large format flat panel displays to facilitate presentations.

- Huddle rooms should remain non-reservable for employees to use on a first-come, first-serve basis. Rooms should be equipped with appropriate work tools such as whiteboards and telephones.

- In almost every case, small rooms are usually provided, and large rooms are over supplied, so take this into consideration when planning.

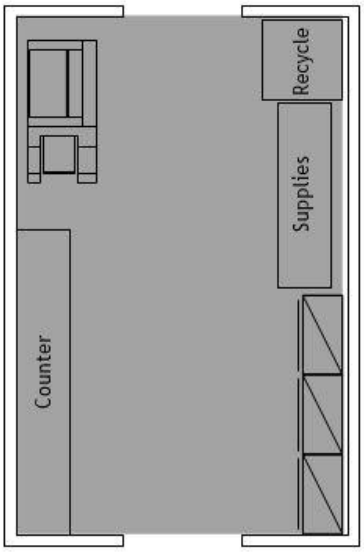
Examples

For smaller, unscheduled meeting rooms, 45% is the optimal utilization because there is a greater need for impromptu meetings.

Large meetings are usually highly coordinated and scheduled in advance to allow for greater booking efficient. So optimal allocation should approach 60%

Support Space Descriptions

Copy/Print Area 150 SF Typical



Support Space Descriptions

Copy/Print Area 150 SF Typical

- To minimize energy use, copy and printing stations should be provided in lieu of personal printers.

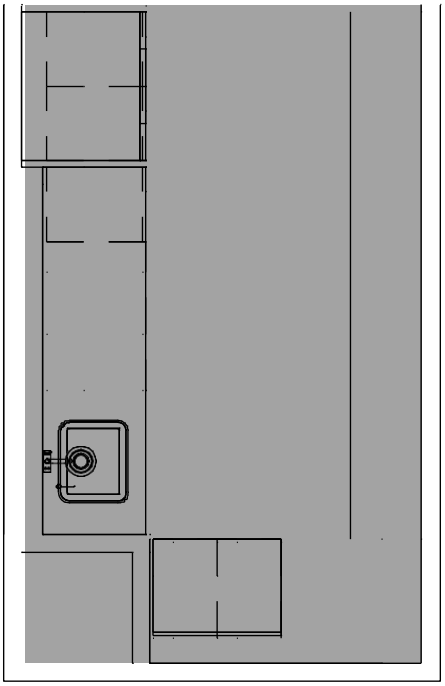
- Copy/printing rooms should be provided sparingly throughout the work areas to encourage staff to get up and walk around. These rooms are meant to be occupied only briefly. Do not need daylight to be in interior and irregularly shaped spaces that do not accommodate other functions.

- Copy/Printing rooms should not accommodate coffee and food.

Examples

Support Space Descriptions

Coffee Area 150 SF typical



Support Space Descriptions

Coffee Area 150 SF typical

- In order to provide a healthy break space, these rooms should be located near direct daylight and views.

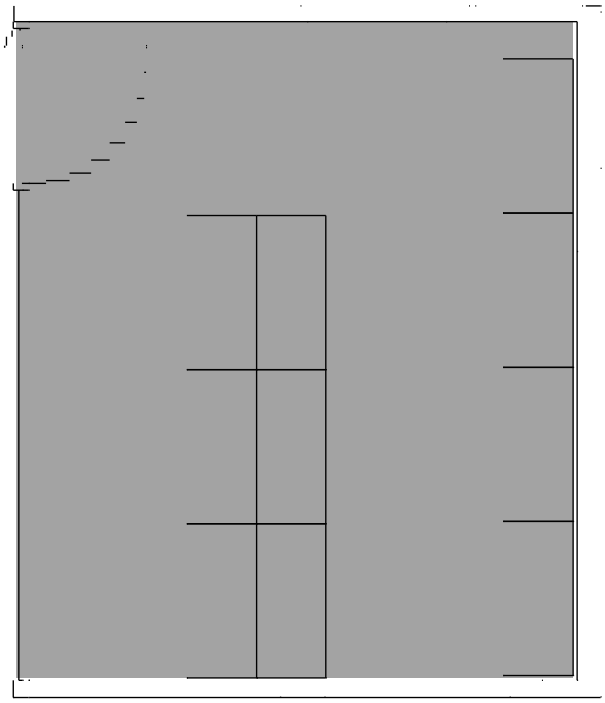
- Appropriate tables or benches and chairs and a whiteboard permits these spaces to do double duty as meeting spaces.

- Consider placing these areas near a copy/print area to form an activity hub, which can encourage information collaboration and serendipitous meetings.

Examples

Support Space Descriptions

Storage/Filing 150 SF Typical



Support Space Descriptions

Storage/Filing 150 SF Typical

- Paper storage on-site should be minimized. Technology permits many documents to be stored electronically.

- Where hard copies are required, storage for them should be limited to copies required for active work, with other copies sent to basement and/or off-site storage that permits retrieval on short notice.

- Workstation and office furnishings should provide sufficient storage for immediate hard copy needs.

- Personal storage at personal workspaces should be able to accommodate personal effects.

Examples

Class A Suburban New Construction
Lease vs. Own Model

Forecast 300K GSF Administrative BTS - Class A Suburban [Amortized]

	Own Occupancy Cost *Turnkey buildout inclusive of TI and FF&E					Lease Occupancy Cost *Does not include Full TI Package				Savings
Year	Annual Amortized Pmt/SF	Annual OpEx/SF	Annual CapEx Reserve/SF	FF&E/SF	Annual Ownership Occupancy Cost	Annual Base Rent/SF	Annual OpEx/SF	FF&E/SF	Annual Lease Occupancy Cost	Annual Occupancy Cost Savings (Own vs. Lease)
2023	*$26.09*	*$8.00*	*$2.00*	*$49.63*	*$25,713,953*	*$34.23*	*$15.24*	*$49.63*	*$29,729,182*	*$4,015,229*
2024	*$26.09*	*$8.20*	*$2.00*		*$10,885,771*	*$35.26*	*$15.62*		*$15,263,370*	*$4,377,599*
2025	*$26.09*	*$8.41*	*$2.00*		*$10,947,271*	*$36.31*	*$16.01*		*$15,697,840*	*$4,750,568*
2026	*$26.09*	*$8.62*	*$2.00*		*$11,010,309*	*$37.40*	*$16.41*		*$16,144,758*	*$5,134,449*
2027	*$26.09*	*$8.83*	*$2.00*		*$11,074,922*	*$38.53*	*$16.82*		*$16,604,483*	*$5,529,560*
2028	*$26.09*	*$9.05*	*$2.00*		*$11,141,151*	*$39.68*	*$17.24*		*$17,077,384*	*$5,936,233*
2029	*$26.09*	*$9.28*	*$2.00*		*$11,209,035*	*$40.87*	*$17.67*		*$17,563,841*	*$6,354,806*
2030	*$26.09*	*$9.51*	*$2.00*		*$11,278,617*	*$42.10*	*$18.12*		*$18,064,246*	*$6,785,629*
2031	*$26.09*	*$9.75*	*$2.00*		*$11,349,938*	*$43.36*	*$18.57*		*$18,579,000*	*$7,229,062*
2032	*$26.09*	*$9.99*	*$2.00*		*$11,423,042*	*$44.66*	*$19.03*		*$19,108,517*	*$7,685,475*
2033	*$26.09*	*$10.24*	*$2.00*		*$11,497,974*	*$46.00*	*$19.51*		*$19,653,224*	*$8,155,250*
2034	*$26.09*	*$10.50*	*$2.00*		*$11,574,779*	*$47.38*	*$20.00*		*$20,213,558*	*$8,638,779*
2035	*$26.09*	*$10.76*	*$2.00*		*$11,653,504*	*$48.80*	*$20.50*		*$20,789,970*	*$9,136,466*
2036	*$26.09*	*$11.03*	*$2.00*		*$11,734,198*	*$50.27*	*$21.01*		*$21,382,925*	*$9,648,727*
2037	*$26.09*	*$11.30*	*$2.00*		*$11,816,908*	*$51.78*	*$21.53*		*$21,992,900*	*$10,175,992*
2038	*$26.09*	*$11.59*	*$2.00*		*$11,901,687*	*$53.33*	*$22.07*		*$22,620,387*	*$10,718,700*
2039	*$26.09*	*$11.88*	*$2.00*		*$11,988,585*	*$54.93*	*$22.62*		*$23,265,890*	*$11,277,305*
2040	*$26.09*	*$12.17*	*$2.00*		*$12,077,655*	*$56.58*	*$23.19*		*$23,929,931*	*$11,852,276*
2041	*$26.09*	*$12.48*	*$2.00*		*$12,168,952*	*$58.27*	*$23.77*		*$24,613,045*	*$12,444,093*
2042	*$26.09*	*$12.79*	*$2.00*		*$12,262,532*	*$60.02*	*$24.36*		*$25,315,782*	*$13,053,251*
2043	*$26.09*	*$13.11*	*$2.00*		*$12,358,451*	*$61.82*	*$24.97*		*$26,038,711*	*$13,680,260*
2044	*$26.09*	*$13.44*	*$2.00*		*$12,456,768*	*$63.68*	*$25.60*		*$26,782,413*	*$14,325,646*
2045	*$26.09*	*$13.77*	*$2.00*		*$12,557,543*	*$65.59*	*$26.24*		*$27,547,490*	*$14,989,948*
2046	*$26.09*	*$14.12*	*$2.00*		*$12,660,837*	*$67.56*	*$26.89*		*$28,334,560*	*$15,673,723*
2047	*$26.09*	*$14.47*	*$2.00*		*$12,766,713*	*$69.58*	*$27.56*		*$29,144,258*	*$16,377,544*
2048	*$26.09*	*$14.83*	*$2.00*		*$12,875,237*	*$71.67*	*$28.25*		*$29,977,238*	*$17,102,001*
2049	*$26.09*	*$15.20*	*$2.00*		*$12,986,474*	*$73.82*	*$28.96*		*$30,834,174*	*$17,847,700*
2050	*$26.09*	*$15.58*	*$2.00*		*$13,100,491*	*$76.03*	*$29.68*		*$31,715,758*	*$18,615,267*
2051	*$26.09*	*$15.97*	*$2.00*		*$13,217,359*	*$78.32*	*$30.43*		*$32,622,705*	*$19,405,345*
2052	*$26.09*	*$16.37*	*$2.00*		*$13,337,149*	*$80.67*	*$31.19*		*$33,555,746*	*$20,218,597*
Total					***$373,027,805***				***$704,163,285***	***$331,135,479***
NPV					***$216,539,197***				***$380,394,041***	***$163,854,844***

Forecast Assumptions	
Building Size (GSF):	300,000
Annual Amortized Pmt/SF (Own):	$26.09
Annual OpEx /SF (Own):	$8.00
Annual Base Rent/SF (Lease):	$34.23
Annual OpEx/SF (Lease):	$15.24
Annual Base Rent Escalation:	1.030
Annual OpEx Escalation:	1.025
FTEs in Building:	1,220
Mortgage Assumptions	
Loan Amount	$145,230,000
Interest	3.50%
Term	30
# of Payments/ Yr	12
Total # of Payments over Term	360
Payment/Mo	($652,147.60)
Payment/Yr	($7,825,771.20)
Payment/Yr/SF	($26.09)
Project Cost Assumptions	
Total Project Price 2019 (275,000 SF Bldg)	$142,500,000
Total Project Price/SF 2019	$518.18
Loan Amount 2019	$129,250,000.00
Loan Amount/SF 2019	$470.00
Non-Financed Portion 2019	$13,250,000
Non-Financed Portion/SF 2019	$48.18
Estimated Total Project Price 2020 (300,000 SF Bldg)	$160,118,182
Estimated Total Project Price/SF 2020	$533.73
Estimated Loan Amount 2020	$145,230,000
Estimated Loan Amount/SF 2020	$484.10
Non-Financed Portion 2020	$14,888,181.82
Non-Financed Portion/SF 2020	$49.63

Class A Central Business District New Construction
Lease vs. Own Model

Forecast 300K GSF Administrative BTS - Class A CBD [Amortized]

	Own Occupancy Cost *Turnkey buildout inclusive of TI and FF&E					Lease Occupancy Cost *Does not include Full TI Package				Savings
Year	Annual Amortized Pmt/SF	Annual OpEx/SF	Annual CapEx Reserve/SF	FF&E/SF	Annual Ownership Occupancy Cost	Annual Base Rent/SF	Annual OpEx/SF	FF&E/SF	Annual Lease Occupancy Cost	Annual Occupancy Cost Savings (Own vs. Lease)
2023	*$39.36*	*$13.13*	*$2.00*	*$50.00*	*$31,345,773*	*$41.28*	*$25.13*	*$50.00*	*$34,923,000*	*$3,577,227*
2024	*$39.36*	*$13.46*	*$2.00*		*$16,444,248*	*$42.52*	*$25.76*		*$20,482,995*	*$4,038,747*
2025	*$39.36*	*$13.79*	*$2.00*		*$16,545,185*	*$43.79*	*$26.40*		*$21,058,847*	*$4,513,663*
2026	*$39.36*	*$14.14*	*$2.00*		*$16,648,645*	*$45.11*	*$27.06*		*$21,651,010*	*$5,002,365*
2027	*$39.36*	*$14.49*	*$2.00*		*$16,754,692*	*$46.46*	*$27.74*		*$22,259,946*	*$5,505,255*
2028	*$39.36*	*$14.86*	*$2.00*		*$16,863,390*	*$47.85*	*$28.43*		*$22,886,137*	*$6,022,747*
2029	*$39.36*	*$15.23*	*$2.00*		*$16,974,805*	*$49.29*	*$29.14*		*$23,530,072*	*$6,555,267*
2030	*$39.36*	*$15.61*	*$2.00*		*$17,089,006*	*$50.77*	*$29.87*		*$24,192,260*	*$7,103,254*
2031	*$39.36*	*$16.00*	*$2.00*		*$17,206,062*	*$52.29*	*$30.62*		*$24,873,220*	*$7,667,158*
2032	*$39.36*	*$16.40*	*$2.00*		*$17,326,044*	*$53.86*	*$31.38*		*$25,573,489*	*$8,247,445*
2033	*$39.36*	*$16.81*	*$2.00*		*$17,449,026*	*$55.48*	*$32.17*		*$26,293,618*	*$8,844,592*
2034	*$39.36*	*$17.23*	*$2.00*		*$17,575,082*	*$57.14*	*$32.97*		*$27,034,174*	*$9,459,091*
2035	*$39.36*	*$17.66*	*$2.00*		*$17,704,290*	*$58.86*	*$33.80*		*$27,795,740*	*$10,091,450*
2036	*$39.36*	*$18.10*	*$2.00*		*$17,836,728*	*$60.62*	*$34.64*		*$28,578,916*	*$10,742,188*
2037	*$39.36*	*$18.55*	*$2.00*		*$17,972,477*	*$62.44*	*$35.51*		*$29,384,321*	*$11,411,844*
2038	*$39.36*	*$19.02*	*$2.00*		*$18,111,619*	*$64.31*	*$36.40*		*$30,212,588*	*$12,100,969*
2039	*$39.36*	*$19.49*	*$2.00*		*$18,254,240*	*$66.24*	*$37.31*		*$31,064,372*	*$12,810,132*
2040	*$39.36*	*$19.98*	*$2.00*		*$18,400,427*	*$68.23*	*$38.24*		*$31,940,345*	*$13,539,918*
2041	*$39.36*	*$20.48*	*$2.00*		*$18,550,268*	*$70.28*	*$39.19*		*$32,841,198*	*$14,290,930*
2042	*$39.36*	*$20.99*	*$2.00*		*$18,703,856*	*$72.38*	*$40.17*		*$33,767,643*	*$15,063,787*
2043	*$39.36*	*$21.52*	*$2.00*		*$18,861,283*	*$74.56*	*$41.18*		*$34,720,411*	*$15,859,128*
2044	*$39.36*	*$22.05*	*$2.00*		*$19,022,646*	*$76.79*	*$42.21*		*$35,700,256*	*$16,677,610*
2045	*$39.36*	*$22.60*	*$2.00*		*$19,188,043*	*$79.10*	*$43.26*		*$36,707,951*	*$17,519,909*
2046	*$39.36*	*$23.17*	*$2.00*		*$19,357,574*	*$81.47*	*$44.34*		*$37,744,295*	*$18,386,721*
2047	*$39.36*	*$23.75*	*$2.00*		*$19,531,344*	*$83.91*	*$45.45*		*$38,810,107*	*$19,278,763*
2048	*$39.36*	*$24.34*	*$2.00*		*$19,709,459*	*$86.43*	*$46.59*		*$39,906,230*	*$20,196,772*
2049	*$39.36*	*$24.95*	*$2.00*		*$19,892,026*	*$89.02*	*$47.75*		*$41,033,533*	*$21,141,507*
2050	*$39.36*	*$25.57*	*$2.00*		*$20,079,157*	*$91.69*	*$48.95*		*$42,192,907*	*$22,113,750*
2051	*$39.36*	*$26.21*	*$2.00*		*$20,270,967*	*$94.45*	*$50.17*		*$43,385,272*	*$23,114,306*
2052	*$39.36*	*$26.87*	*$2.00*		*$20,467,572*	*$97.28*	*$51.43*		*$44,611,573*	*$24,144,001*
Total					***$560,135,932***				***$935,156,427***	***$375,020,496***
NPV					***$321,732,932***				***$503,600,167***	***$181,867,234***

Forecast Assumptions	
Building Size (GSF):	300,000
Annual Amortized Pmt/SF (Own):	$39.36
Annual OpEx /SF (Own):	$13.13
Annual Base Rent/SF (Lease):	$41.28
Annual OpEx/SF (Lease):	$25.13
Annual Base Rent Escalation:	1.030
Annual OpEx Escalation:	1.025
FTEs in Building:	1,220
Mortgage Assumptions	
Loan Amount	$219,109,091
Interest	3.50%
Term	30
# of Payments/ Yr	12
Total # of Payments over Term	360
Payment/Mo	($983,897.73)
Payment/Yr	($11,806,772.80)
Payment/Yr/SF	($39.36)
Project Cost Assumptions	
Total Project Price 2019 (300,000 SF Bldg)	$195,000,000
Total Project Price/SF 2019	$650
Loan Amount 2019	$195,000,000
Loan Amount/SF 2019	$709
Non-Financed Portion 2019	$0
Non-Financed Portion/SF 2019	$0.00
Estimated Total Project Price 2020 (300,000 SF Bldg)	$200,850,000
Estimated Total Project Price/SF 2020	$669.50
Estimated Loan Amount 2020	$219,109,091
Estimated Loan Amount/SF 2020	$730.36
Non-Financed Portion 2020	$15,000,000.00
Non-Financed Portion/SF 2020	$50.00

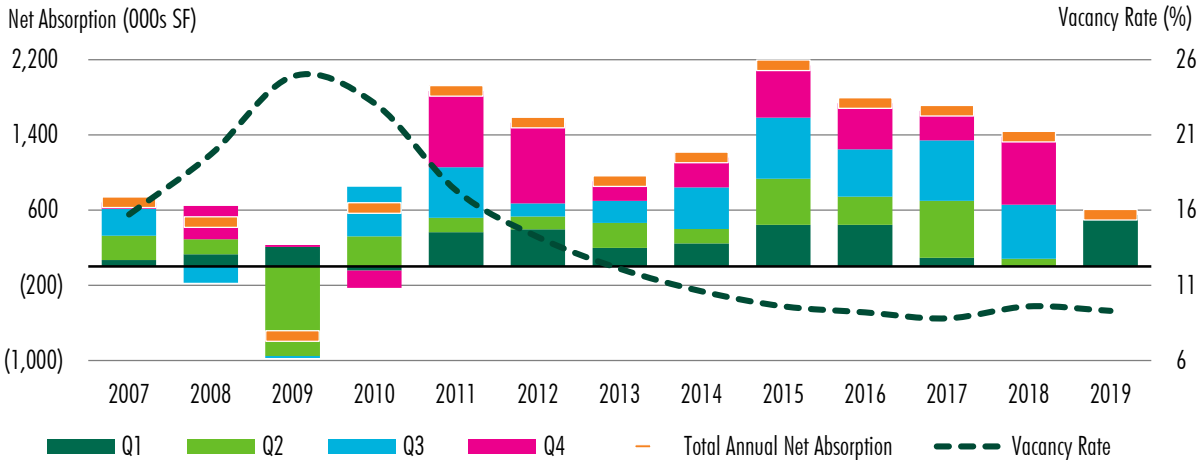
Austin Office, Q1 2019

Austin office market grows finer with maturation

Vacancy	Under Construction	Deliveries	Net Absorption	Avg. Asking Rate
9.3%	5,100,332 SF	1,674,961 SF	548,351 SF	$37.62 PSF

*Arrows indicate change from previous quarter.

Figure 1: Net Absorption and Vacancy



Source: CBRE Research, Q1 2019.

Like a bottle of fine wine, the Austin office market continues to grow more enticing with age. The first quarter of 2019 brought new heights to market fundamentals, with absorption surpassing 540,000 sq. ft. and vacancy falling to 9.3%. Once again, the citywide average asking rate rose to a new historic high as developers actively pursued bringing approximately 5.1 million sq. ft. of new product to the market.

First quarter absorption registered 548,351 sq. ft. of positive net demand, driven mostly by large-scale tenants occupying pre-leased space in buildings that delivered in late 2018. With 79% of the 1.3 million sq. ft. of new product that delivered to the market this quarter, 2019 will continue to see strong absorption throughout the rest of the year as tenants officially occupy their pre-leased space in the buildings that delivered this quarter.

As our bottle of fine wine continues to mature and attract tenants and investors alike, robust demand continues to push asking rents to record highs. Operational costs in the metro rose to $10.72 per sq. ft. in Q1 2019, an increase of $0.12 from Q4 2018. The citywide NNN asking rate increased $0.86, climbing to $26.90 per sq. ft. This upward pressure brought the citywide Full Service Gross asking rate for Q1 2019 to $37.62 per sq. ft., once again setting a new record high for the market. Coupled with this increase in asking rents, citywide vacancy fell 30 basis points to 9.3%.

The Austin Business-Cycle Index (a collection of employment and payroll indicators) expanded at 3.7% in Q1 2019, below the long-term growth average of 6.0%. Unemployment ticked up to 3.2% in January 2019, still well below the state average of 3.8% and the national average of 4.0%.

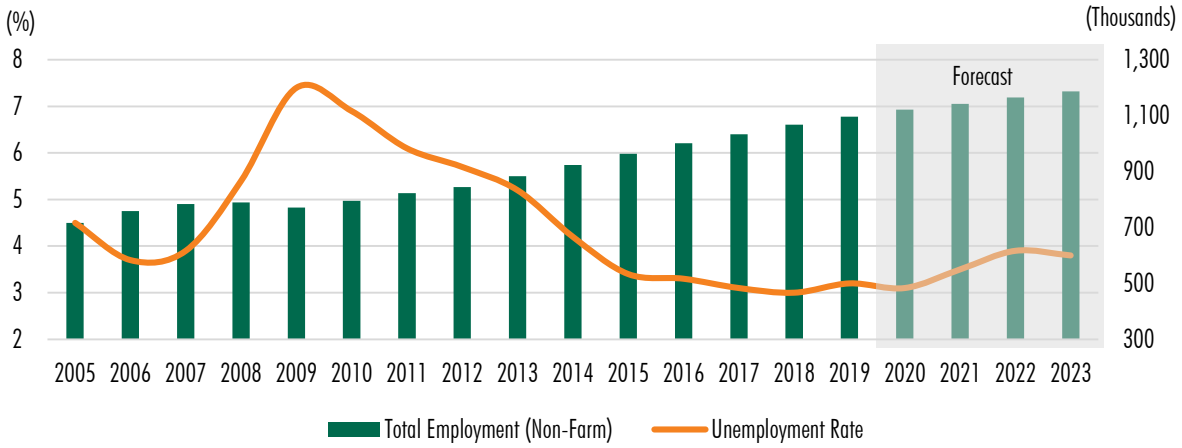
Figure 2: Austin Office Market Statistics

Submarket	Net Rentable Area	Total Vacancy (%)	Total Availability (%)	Avg. FSG Asking Rate ($)	Under Construction (SF)	Q1 2019 Deliveries (SF)	Q1 2019 Net Absorption	2019 Net Absorption
CBD	11,344,354	5.8	8.1	49.78	2,149,826	347,637	61,799	61,799
Class A	8,420,694	5.2	7.8	54.49	2,149,826	347,637	(24,122)	(24,122)
Class B	2,611,510	6.8	7.4	45.16	-	-	95,601	95,601
Northwest	14,865,727	8.7	10.3	37.50	693,330	315,862	146,237	146,237
Class A	9,275,789	8.3	10.0	41.74	693,330	315,862	174,870	174,870
Class B	5,411,806	9.6	11.2	32.89	-	-	(30,548)	(30,548)
Far Northwest	4,927,943	8.8	13.5	32.73	188,078	396,329	12,504	12,504
Class A	3,408,649	10.8	13.6	35.68	188,078	396,329	7,230	7,230
Class B	1,392,161	4.6	13.6	29.45	-	-	1,557	1,557
Northeast	2,103,166	15.6	24.1	28.04	518,390	-	41,907	41,907
Class A	1,031,394	17.1	26.2	29.69	314,000	-	-	-
Class B	891,268	15.8	17.3	24.42	204,390	-	48,573	48,573
North	734,307	14.1	15.4	29.24	-	-	(3,464)	(3,464)
Class A	-	-	-	N/A	-	-	-	-
Class B	723,307	13.7	15.0	29.35	-	-	(3,464)	(3,464)
Central	1,957,209	10.2	12.0	34.08	178,770	26,391	28,237	28,237
Class A	522,914	7.5	10.8	44.54	178,770	-	10,210	10,210
Class B	1,245,386	11.3	12.8	31.96	-	26,391	10,955	10,955
Round Rock	923,602	17.6	18.8	25.87	-	59,476	1,725	1,725
Class A	210,610	47.5	47.5	31.54	-	59,476	(731)	(731)
Class B	670,874	9.3	10.9	23.57	-	-	(59)	(59)
East	1,186,470	11.5	11.6	43.00	720,334	464,982	97,528	97,528
Class A	413,172	13.4	13.7	45.97	694,334	263,812	90,077	90,077
Class B	663,823	11.8	11.8	38.04	26,000	201,170	(4,044)	(4,044)
South	1,205,648	9.3	10.9	32.19	270,899	64,284	1,375	1,375
Class A	463,742	13.6	13.6	50.20	229,917	64,284	6,641	6,641
Class B	405,857	2.1	4.1	36.69	40,982	-	623	623
Southeast	1,127,958	15.3	16.2	26.84	138,850	-	9,179	9,179
Class A	155,022	14.8	18.9	33.36	71,225	-	(2,145)	(2,145)
Class B	876,225	16.5	16.9	28.01	67,625	-	11,783	11,783
Southwest	11,102,764	10.6	12.8	37.17	241,855	-	151,324	151,324
Class A	7,730,533	11.2	14.3	41.58	177,102	-	96,259	96,259
Class B	3,225,191	9.0	9.5	31.18	64,753	-	57,365	57,365
Austin Total	**51,479,148**	**9.3**	**11.7**	**37.62**	**5,100,332**	**1,674,961**	**548,351**	**548,351**
Class A	**31,632,519**	**9.2**	**11.8**	**43.53**	**4,696,582**	**1,447,400**	**358,289**	**358,289**
Class B	**18,117,408**	**9.5**	**11.3**	**32.16**	**403,750**	**227,561**	**188,342**	**188,342**

Although Class C is not shown, totals are inclusive of all classes of data.

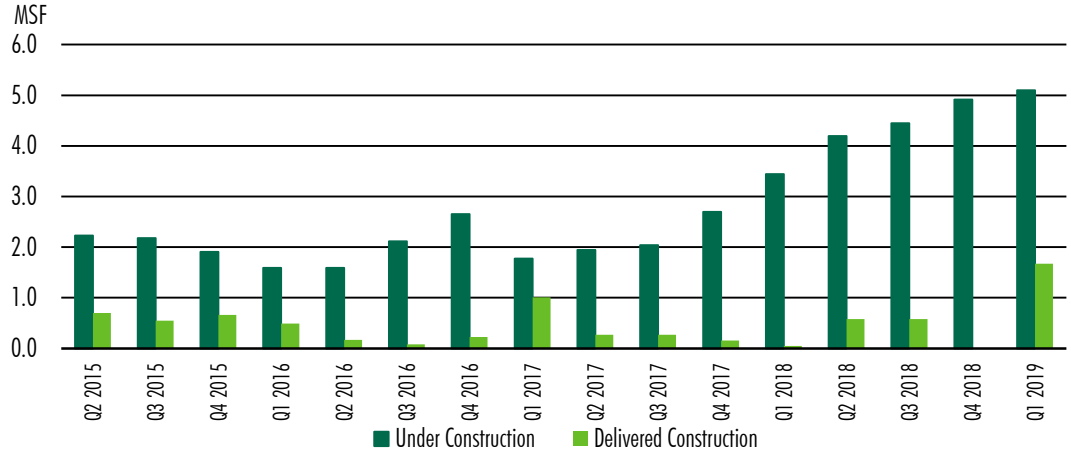
Source: CBRE Research, Q1 2019.

Figure 3: Austin Labor Force & Unemployment



Source: Moody's Analytics, January 2019.

Figure 4: Historical Construction and Deliveries



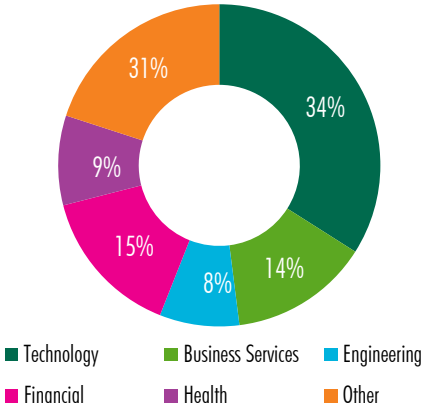
Source: CBRE Research, Q1 2019.

Figure 5: Significant Leases / Sales of Q1 2019

Lease (Tenant)	Property	Total SF
Office Depot, Inc	Amber Oaks H	77,789
Spredfast, Inc	Ladera Bend	70,000
Microchip Technologies	Park Centre	53,455
Sale (Building)	**Address**	**Total SF**
Travis Oaks	5113 Southwest Pkwy	123,434
Anderson Tower	400 Anderson Lane	72,224

Source: CBRE Research, Real Capital Analytics, Q1 2019.

Figure 6: Q1 2019 Signed Leases by Industry



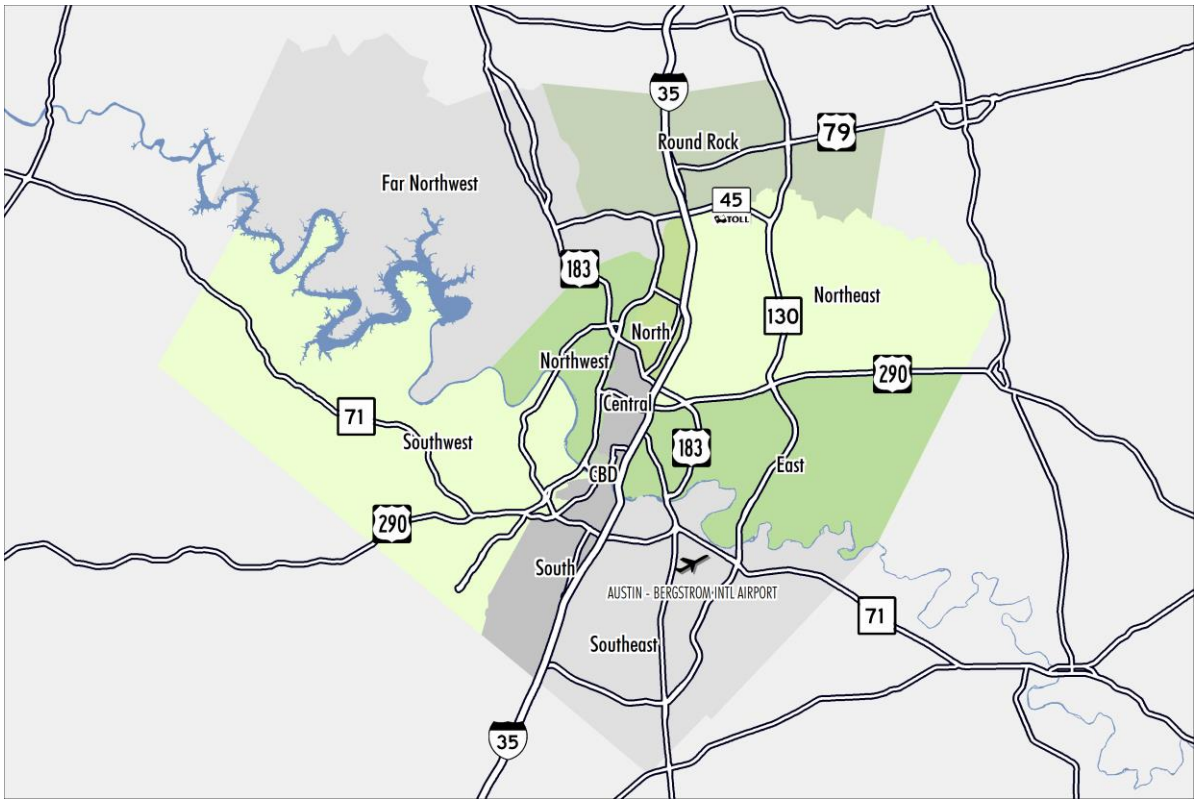
Source: CBRE Research, Q1 2019.

Figure 7: Historical Market Statistics

		2012	2013	2014	2015	2016	2017	2018	2019
CBD									
	Absorption (Net SF)	177,023	64,099	369,822	649,300	97,639	564,236	558,794	61,799
	Asking Rent, Avg. Annual	36.08	38.15	40.1	41.33	47.67	44.95	47.88	49.78
	Delivered Construction (SF)	-	-	167,871	557,470	195,863	745,936	122,667	347,637
	Vacancy Rate (%)	12	12	9.4	7.1	7.8	7.9	6.3	5.8
NORTHWEST									
	Absorption (Net SF)	677,714	179,614	224,246	669,701	286,950	471,598	445,607	146,237
	Asking Rent, Avg. Annual	25.83	26.28	29.48	31.96	32.8	33.84	36.72	37.50
	Delivered Construction (SF)	-	-	143,331	591,973	372,235	386,921	308,000	315,862
	Vacancy Rate (%)	15.3	10.4	9.4	8.8	8.8	8.6	9.1	8.7
FAR NORTHWEST *									
	Absorption (Net SF)	N/A	366,763	79,360	198,389	336,470	230,820	77,807	12,504
	Asking Rent, Avg. Annual	N/A	27.85	28.95	30.95	30.62	31.79	32.76	32.73
	Delivered Construction (SF)	N/A	-	-	128,700	-	-	-	396,329
	Vacancy Rate (%)	N/A	12.2	13.8	9.5	9.4	6.3	6.6	8.8
NORTHEAST **									
	Absorption (Net SF)	N/A	N/A	N/A	N/A	N/A	64,819	(35,900)	41,907
	Asking Rent, Avg. Annual	N/A	N/A	N/A	N/A	N/A	24.05	28.00	28.04
	Delivered Construction (SF)	N/A	N/A	N/A	N/A	N/A	0	115,000	-
	Vacancy Rate (%)	N/A	N/A	N/A	N/A	N/A	9.6	16.4	15.6
NORTH CENTRAL***									
	Absorption (Net SF)	(109,170)	90,741	222,683	90,066	251,093	N/A	N/A	N/A
	Asking Rent, Avg. Annual	21.63	23.14	22.89	27.29	25.95	N/A	N/A	N/A
	Delivered Construction (SF)	-	-	-	214,962	46,000	N/A	N/A	N/A
	Vacancy Rate (%)	23	23.8	15.4	13.1	10.2	N/A	N/A	N/A
NORTH**									
	Absorption (Net SF)	N/A	N/A	N/A	N/A	N/A	(18,159)	45,653	(3,464)
	Asking Rent, Avg. Annual	N/A	N/A	N/A	N/A	N/A	23.81	27.80	29.24
	Delivered Construction (SF)	N/A	N/A	N/A	N/A	N/A	-	-	-
	Vacancy Rate (%)	N/A	N/A	N/A	N/A	N/A	15.5	13.6	14.1
CENTRAL**									
	Absorption (Net SF)	N/A	N/A	N/A	N/A	N/A	52,348	(1,941)	28,237
	Asking Rent, Avg. Annual	N/A	N/A	N/A	N/A	N/A	31.39	33.14	34.08
	Delivered Construction (SF)	N/A	N/A	N/A	N/A	N/A	-	-	26,391
	Vacancy Rate (%)	N/A	N/A	N/A	N/A	N/A	6.2	10.2	10.2
ROUND ROCK									
	Absorption (Net SF)	8,592	26,097	41,367	19,892	18,801	(9,845)	899	1,725
	Asking Rent, Avg. Annual	21.17	22.67	23.77	24.99	22.91	21.11	27.88	25.87
	Delivered Construction (SF)	-	-	-	-	59,043	22,500	164,486	59,476
	Vacancy Rate (%)	19.3	15.1	9.8	6.6	7	8.3	21.0	17.6
EAST									
	Absorption (Net SF)	387,386	1,722	49,392	58,736	428,135	49,398	(24,059)	97,528
	Asking Rent, Avg. Annual	16.38	17.2	16.71	19.55	20.13	34.67	43.82	43.00
	Delivered Construction (SF)	-	30,451	-	191,990	199,408	59,655	246,711	464,982
	Vacancy Rate (%)	12.7	16.7	14.9	17.9	6.6	7.5	17.0	11.5
SOUTH									
	Absorption (Net SF)	83,355	25,359	70,143	33,337	158,472	23,598	102,221	1,375
	Asking Rent, Avg. Annual	15.38	15.13	14.73	15.02	24.68	31.90	31.00	32.19
	Delivered Construction (SF)	-	-	-	-	-	57,500	115,246	64,284
	Vacancy Rate (%)	21	19.9	16.3	14.4	16	12.1	4.4	9.3
SOUTHEAST**									
	Absorption (Net SF)	N/A	N/A	N/A	N/A	N/A	71,123	49,905	9,179
	Asking Rent, Avg. Annual	N/A	N/A	N/A	N/A	N/A	23.55	26.47	26.84
	Delivered Construction (SF)	N/A	N/A	N/A	N/A	N/A	29,205	-	-
	Vacancy Rate (%)	N/A	N/A	N/A	N/A	N/A	20.2	16.1	15.3
SOUTHWEST									
	Absorption (Net SF)	205,677	149,911	101,327	419,723	159,982	154,081	161,187	151,324
	Asking Rent, Avg. Annual	26.8	29.83	31.78	34.34	35.99	34.31	36.64	37.17
	Delivered Construction (SF)	-	92,008	76,500	1,062,477	-	410,295	135,500	-
	Vacancy Rate (%)	9.9	8.4	8.4	10.3	9.7	10.7	11.4	10.6
AUSTIN TOTAL									
	Absorption (Net SF)	**1,430,577**	**904,306**	**1,158,340**	**2,139,144**	**1,737,542**	**1,654,017**	**1,380,173**	**548,351**
	Asking Rent, Avg. Annual	**26.24**	**28.15**	**29.56**	**31.81**	**34.83**	**34.39**	**36.64**	**37.62**
	Delivered Construction (SF)	**-**	**122,459**	**387,702**	**2,747,572**	**872,549**	**1,712,012**	**1,207,610**	**1,674,961**
	Vacancy Rate (%)	**14.2**	**12.1**	**10.6**	**9.6**	**9.2**	**8.8**	**9.6**	**9.3**

Source: CBRE Research, Q1 2019.

*Submarket created in 2013
**Submarket created in 2017
***Submarket removed in 2017



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RSPi_ SPACE

City of Austin, Texas
Strategic Facilities and Logistics Roadmap

Phase I, II + III Reports

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RSPi_ SPACE

City of Austin, Texas
Strategic Facilities and Logistics Roadmap

Phase I + II Reports: Vision, Discovery + Analysis

15 February 2012

EXECUTIVE SUMMARY

RSP i_SPACE was tasked by the City of Austin with a year long study of facility-related real estate, operations and maintenance, workplace and logistics in order to provide the city with a Strategic Facilities and Logistics Roadmap. The resulting Roadmap will provides guidance to ensure that decisions relating to the city's facilities can be made holistically and in the best long-range (15-year) interest of the city. The Phase II report is provided for review and validation by the city before the study moves forward. This report summarizes the findings to date; the result of interviews, surveys, research, facility walkthroughs and the compilation of city-provided data. Data was gathered by four strategists (Operations and Maintenance; Workplace; Real Estate; and Logistics) to compile information on facility condition; departmental space needs assessments; geopolitical and real estate influencers; and service delivery locations and practices. Out of 250+ facilities addressed as part of this study, a total of 53 facilities were examined in depth by one or more of the four strategists. This data provides a baseline description of current conditions, from which the analysis and preparation of planning scenarios may be made. In order to bring maximum value to the next phase of the study, it is critical that the baseline provide an accurate assessment.

Strategic Facilities and Logistics Roadmap Mission

Align city's approach to delivering real estate and services with the broader vision for the city

Imagine Austin Vision Statement

- Austin is Livable
- Austin is Natural and Sustainable
- Austin is Mobile and Interconnected
- Austin is Prosperous
- Austin Values and Respects its People
- Austin is Creative
- Austin is Educated

Overall Finding: In the world of real estate and facilities, decisions are being made at the department level that impact the city as whole.

This above observation was made and validated repeatedly during the course of the study by each of the strategists. Overall, communication within departments appears to be functioning smoothly, but breakdowns seem to occur with interdepartmental communications. City staff are hard-working and have found creative work-arounds to get things done in the most effective manner readily apparent to them. However, there does not appear to be an overriding and interdepartmental strategic plan in place that is appropriate for a city the size of Austin. Creating a plan of this type is best done when a real estate and facilities organization is properly organized, staffed and has visibility at the senior levels (C-Suite) of an organization.

The following five major points that support this observation were revealed during the course of the study to date:

1. Centralized Facilities Maintenance and Management Structure

We found that the city would benefit from a centralized facilities maintenance and management structure that would both dedicate and protect facility budgets. The deferred, or in some cases non-existent, maintenance of the current portfolio of aging facilities is resulting in the degradation of property value, frequently to the point that repair and or renovation will exceed the cost of new construction. We know maintenance costs money, but the cost of non-maintenance is greater when it results in catastrophic failures (actual and impending) as well as additional costs in the form of lost employee time, such as when breakdowns of air conditioning units force the temporary closing of city facilities. Infrastructure systems (in terms of both the function and location) are also not in line with best practices. Of the 36 facilities selected by the city for a Tier 3 assessment from an operations and maintenance viewpoint, RSP i_SPACE scored 23 or 64 percent, of them poorly, demonstrating this finding. Approximately $17.8 million is necessary to bring the 36 facilities assessed to adequate condition.

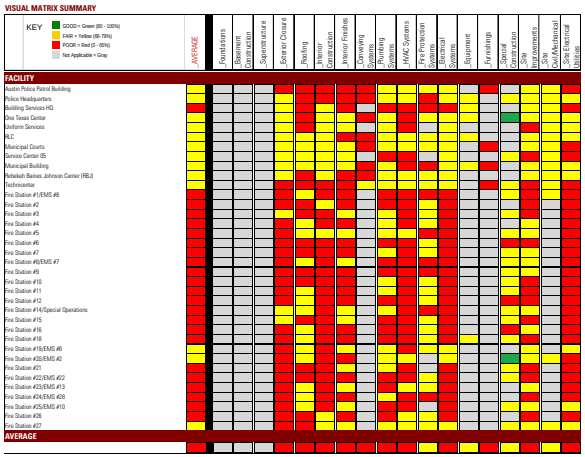
Building Services supports over 250+ city facilities with a range of services including: custodial, mechanical, electrical, plumbing, locksmith, maintenance, security, mail services, remodeling and space planning.

Building Services accomplished this with a $9,295,035 operating budget and 144.6 full-time equivalents (FTEs) for 2011. In calendar year 2011, they accumulated a

number of awards and accomplishments based upon the Malcolm Baldrige performance excellence criteria.

It is clear that city staff are doing the best they can under the circumstances, and that the centralization of the facilities maintenance and management structure would empower the city to get in front of existing problems before they reach crisis status.

SUMMARIZED FACILITY CONDITION ASSESSMENT



Note: based upon weighted score, not deferred maintenance costs. (red = poor, yellow = fair, green = good)

2. Centralized and Standardized Space Management

We found that the city would benefit from a centralized/ standardized method of allocating space. The organic response to growth and absence of planning protocols has resulted in compromised functionality which is impacting the larger objectives of the city and contributes to some of the top gaps identified in the Gap Analysis.

- Interdepartmental Connectivity
- Collaboration
- Adjacencies

This has affected the ability of the city to adequately and equitably accommodate each department's space needs, resulting in some departments occupying more space than required while others suffer from space shortages and decentralization. One Texas Center is a prime example of a facility unable to accommodate the required adjacencies due to its response to organic growth and the resultant lack of space.

In addition to the Gap Analysis, a Workplace Satisfaction Survey resulted in 18 percent of respondents stating critical adjacency issues (not optimally located in close proximity to the people and/or departments that have the greatest impact on their ability to do their job).

3. New Workplace Strategies

We found the city would benefit from further investigation of current work processes. The city should understand if and how traditional office-scape supports work flow and promotes the desired culture and behaviors. Projected departmental growth of 23 percent over 15 years in addition to a projected 33 percent of the current staff becoming eligible for retirement in the next 5-10 years signals not only increased demand for space but a significant shift in the in the workforce itself. These dramatic shifts in the city's workforce will increase the importance of work environments that support collaboration and mentorship. Younger generations expect these environments.

Some of the city's main administrative facilities such as One Texas Center have exceeded capacity, have lost a degree of functionality due to misallocation of space, and have not met some of the critical adjacencies identified during the Space Needs Assessment. Currently, one work-around that has been identified is the use of short-term leases as a stop-gap until long term space can be identified. At the same time, a recent survey by Herman Miller reported that the average work station nationally is occupied only 53 percent of the day. Other organizations such as Capital One are finding lower utilization rates (30 percent) prompting further investigation. City of Austin employees reported that 47 percent of their day is spent doing focused work. This raises the question of whether space is allocated to its highest and best use. Privacy issues as well as the need for additional training and collaborative spaces were frequently reported, suggesting that the current environment does not support a single functions well. New work environments recognize that space must support a wide range of work function including the need for private focus spaces. Resolving these issues may require exploring new approaches to the workplace and a shifting of the perceptions of the office from a destination to that of a resource.

4. Strategic Real Estate Acquisition and Disposition

With ownership of real estate assets estimated at $1.5 billion, the city would benefit from being more strategic in its acquisition and disposition of facilities and land. The city cannot effectively manage what it cannot measure. An inventory control system is a critical first step to the maintenance and management of the city's real estate assets. A simultaneous commitment to a strategic planning process at the city level would assist in the understanding and compilation of every department's needs, encourage interdepartmental

planning/collaboration, and allow the city to interpret business objectives into real estate/facility needs which in turn would dramatically affect the city's bottom line. A strategic plan would identify city-owned facilities that could be sold for profit, which could be utilized to repair/renovate/purchase facilities that best fit the city's needs.

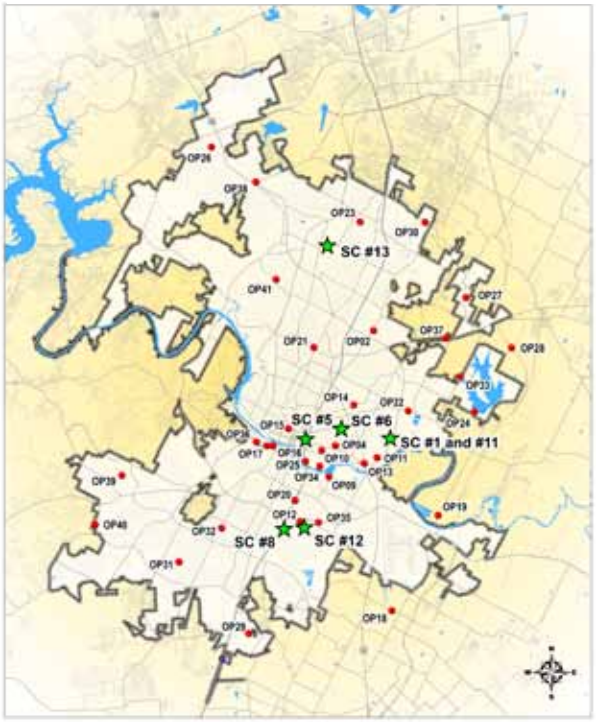
While the suburbs continue to have available and less expensive space, and the northwest market being a popular place for expansions and relocations, the Central Business District (CBD) exhibits lease rates at an historical high for the City of Austin. The difference (delta) between average asking rates in the CBD verses the suburban markets at $12.35 per square foot in 2011 as compared to $2.95 per square foot in 2005. Prices demonstrate the affinity for a downtown location.

A strategic plan will identify opportunities to plan with other municipal agencies, something that some city departments such as Health and Human Services and the Libraries have already initiated. The City of Austin is host to many other municipal users including the federal government, the state, the county, and school districts. Joint planning would facilitate opportunities to develop joint use campus-type facilities with interrelated functions that could share funding and services such as security, maintenance etc., increasing functionality and dramatically affect the city's bottom line.

5. Service Crew and Infrastructure and Consolidation

A total of 562 City of Austin service crews depart from 41 unique locations, completing over 142,000 delivery trips and traveling nearly four million miles annually at an approximate cost of $11.3 million. Fleet Services supports over 5,000 vehicles, 42 percent of which run on alternative fuels. Based upon these and other figures we found the city would benefit from the consolidation of existing service crew infrastructure. Expanding and upgrading capabilities to support the fleet, in turn, supports nine departments of the city. In order to best support the city, the fleet is in need of additional vehicle bays, increased lay down areas, and sufficient parking to separate city-owned vehicles from personal vehicles. Expanded capabilities such as a paint/body shop would enable the fleet to provide the city with faster turn-around of vehicles and more efficient use of time.

SERVICE CREW ORIGIN POINTS
CITY OF AUSTIN LOGISTICS STUDY



Legend

Green Stars = Service Center
Red Dots = Origin Points

There is a tremendous opportunity to reduce the vehicle miles and in turn, the carbon footprint of the city through the consolidation of redundant infrastructure. A reduction in the number of origin points for service delivery crews will reduce the number of annual vehicle miles traveled, saving the city upwards of a $1 million dollars annually for the crews assessed. Some departments will benefit more than others. Solid Waste has the most to gain from regionalization, as much as 30 percent annually. Code Compliance could also benefit with a large number of crews leaving from a single location. Expanding the capabilities of service centers to accommodate the need for service crews to perform perfunctory administrative tasks would provide additional cost savings.

Phase II Report Review

Thorough review and consensus on the Phase II findings is critical for setting the foundation of the Strategic Facility and Logistics Roadmap and subsequent tactical planning to put the Roadmap into action.

INTRODUCTION

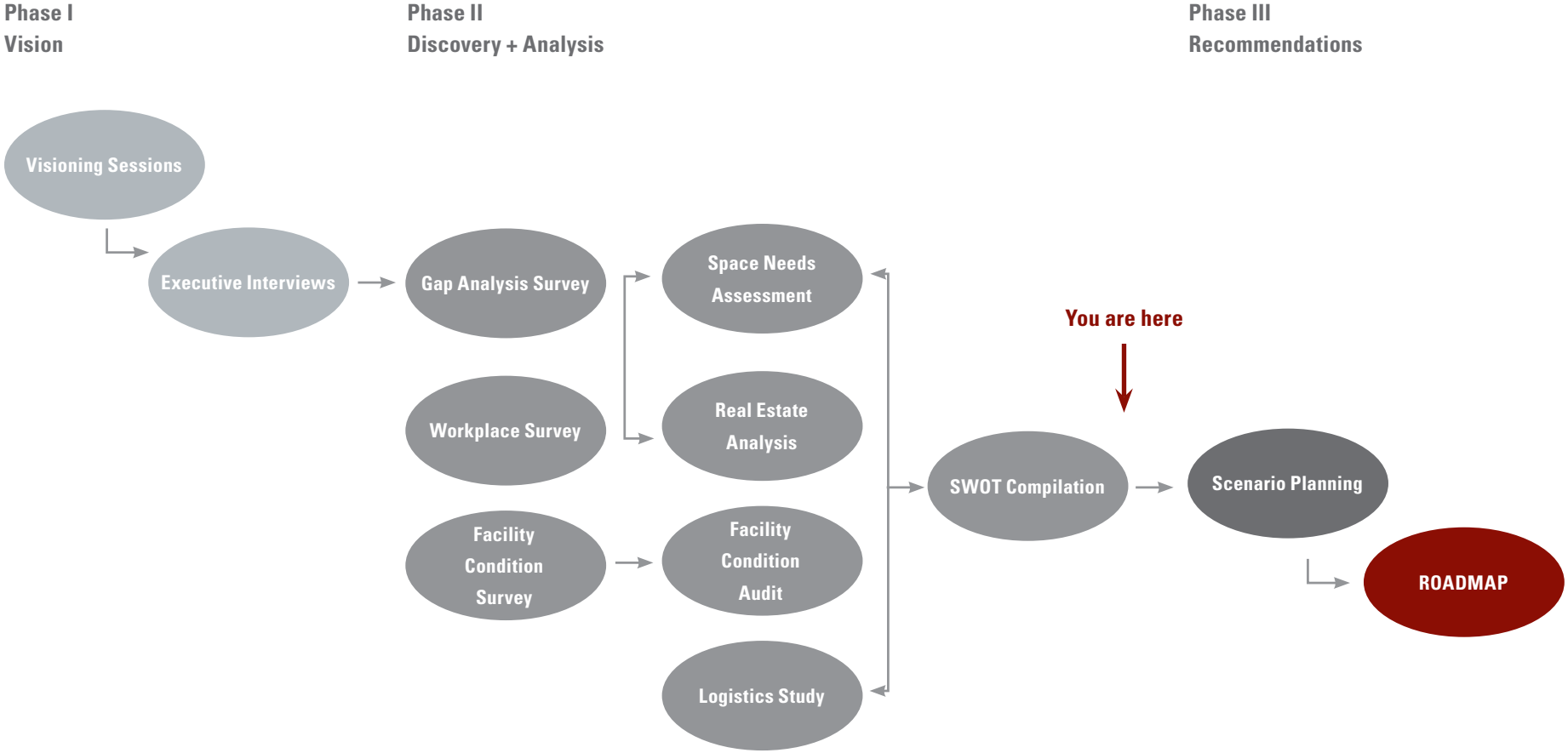
The City of Austin contracted RSP i_SPACE to study the real estate, facilities, workplace and logistics in order to provide the city with a Strategic Facilities and Logistics Roadmap that will guide future decisions relating to facilities, ensuring they are made in the best long-range interest of the city.

The project scope includes 250+ facilities. RSP i_SPACE divided the facilities into two tiers of assessment - Tier 3 where 53 facilities were assessed thoroughly by one or more of the team's four strategists and Tier 1 at a baseline level (city staff self assessed these facilities for operations and maintenance only). Note, facilities originally considered to be Tier 2 were revised to Tier 1 status.

The project was divided into three phases: Phase I – Vision, Phase II – Discovery and Analysis, and Phase III – Recommendations. The Phase I – Vision phase helped to establish the goals of the project. The RSP i_SPACE team interviewed key executives employed by the city, researched existing literature and geopolitical influencers, and based upon the Imagine Austin Vision Statements developed a Gap Analysis which was a questionnaire administered to department heads for the purpose of measuring current and desired performance in a number of areas relating to real estate, logistics and operations. The results of the Gap Analysis will be become a measuring tool or filter to evaluate strategies and scenarios in Phase III.

This report presents the results of the Phase II – Discovery and Analysis efforts. (The Phase I preliminary report has been incorporated into this report as well.) In this Phase, the strategists delved deeper to enhance their understanding of the city: the level of satisfaction of city employees with their workspace, the departments and their space needs, how services are delivered, facilities condition, what it will cost to repair them to adequate condition, and what the real estate market may hold in store for the disposal/acquisition of city property. Since this report provides a baseline for all future efforts of this study, it is critical that this baseline provide an accurate assessment.

During Phase III – Recommendations - the RSP i_SPACE team will work corroboratively with the city to develop one or more scenarios that will outline the Roadmap to guide future facilities planning decisions. Conditions are in constant flux, so the Roadmap must have the ability to change as conditions change. The tools used to develop the Strategic Facilities and Logistics Roadmap will remain with the city so that costs, factors, assumptions may be changed in order to update the scenarios as needed, assuring that the city will retain the ability to react strategically with regard to facilities planning decisions.


Phase I
Vision
Phase II
Discovery + Analysis
Phase III
Recommendations
Visioning Sessions
Executive Interviews
Gap Analysis Survey
Workplace Survey
Facility Condition Survey
Space Needs Assessment
Real Estate Analysis
Facility Condition Audit
Logistics Study
You are here
SWOT Compilation
Scenario Planning
ROADMAP

VISIONING SESSIONS

With the knowledge that an effective Strategic Facilities and Logistics Roadmap will result from working closely with City of Austin leadership, RSP i_SPACE led two visioning sessions on March 29, 2011. Department leaders were broken into two groups to create an intimate setting for the individuals to better share their thoughts and opinions about a comprehensive facility and logistics plan over the next 15 years. This aligns well with the timing and intentions of the Imagine Austin Comprehensive Plan and other citywide planning efforts. Each session lasted several hours, beginning with an overview of the project.

At the time of the visioning session, the project was in Phase I - Vision. The visioning session resulted in a number of themes that the majority of participants agreed upon, including:

KEY THEMES FROM THE VISIONING SESSIONS

1. **Dedicated, passionate & professional team**
2. **Interest in collaboration, efficiency**
3. **City of Austin culture**
4. **Austin's geographic reach**
5. **Sustainability**
6. **Strategic proactive facility plans (with room to grow)**
7. **Public Experience, process**
8. **Supportive workplace & environments to recruit and retain**

Dedicated, passionate and professional team

The overall atmosphere of the sessions demonstrated a team of department leaders dedicated to public service, wanting the best for the City of Austin and their respective departments. Participants' level of civic pride carried over into being vocal about serving the citywide population and how city presence and visibility in the city core contribute to Austin's continued vitality:

> *"We understand that the facility needs are overall – this is not a competition about who has the worst facility."*

At the same time, leaders seek a level of professionalism in their workforce and facilities. The team recognized stewarding taxpayers' dollars, but also want their facilities to serve the public:

> *"If you walk into a department with old carpet and lights it leads to the question, what sort of service am I going to get? Upkeep is really important to providing a sense of getting good service."*

Interest in collaboration, efficiency

With the expectation that Austin will continue to grow, department leaders are familiar with the concept of doing more with less. They expressed interest in collaboration with other government entities such as coordinating fuel distribution. Opportunities to collaborate among departments included the Neighborhood Housing and Community Development department asking if other departments would like to locate services on their 200-acre development, as well as suggestions about consolidating several department data centers.

A large opportunity for consolidation or collaboration requires assessing citywide properties. The Real Estate Office is responsible for assisting with the process and purchase of properties, but they then turn the properties over to the departments once the transactions have taken place. City-owned properties are spread citywide and centralized data or a complete inventory about the properties does not exist. If this information were centralized, departments could identify land already owned by the city for their needs, the city overall could consolidate land in specific locations for future growth, and excess land that neither fits current or future department needs could be better identified for sale.

Visioning Sessions, continued

Improved collaboration within departments themselves was stated as a strong need. Some departments are divided among buildings and floors while others work in proximity, yet lack the space (conference, training or meeting rooms) to communicate effectively face-to-face.

City of Austin Culture

Participants spoke freely and with conviction in regards to statements about the City of Austin's culture. The city is known to be innovative, progressive, musical, high-tech, green (both in sustainability and lush plantings/tree cover), "weird," creative and independent (as compared to the rest of Texas).

March 29, 2011 visioning session, City Hall, Austin, TX

Conversations surrounding a fractured, diverse public included:

- New versus established residents (at times seen as responsible for gentrification)
- Small town feel versus the transition into a big city as they continue to grow
- Urban versus suburban lifestyle
- The haves versus the have-nots
- Active, vocal minority driving the image of the city versus the voting public

In response to the question about facilities reflecting the city's culture, City Hall was referenced on a regular basis as one building that positively reflects what the city would like to portray. The group agreed that most of the city's facilities do not create a positive impression of their work or departments.

Austin's geographic reach

With significant population growth and annexation, the Austin service area has dramatically increased. Over time some facilities have become obsolete or a hindrance because they are no longer near where services need to be provided. Some participants discussed a geographic approach to serving the city based upon the location of activity centers rather than just a downtown headquarters. Other participants talked about wanting to be more centralized with "store-front" satellite offices outside of downtown, off major highways for easy public access.

Sustainability

Ambitious sustainable measures such as hiring a full-time Sustainability Director and LEED® Silver requirements for new construction and major renovations, demonstrate the city's dedication to green initiatives. But many of these practices are new or are being developed e.g. remodeling, fleet and purchasing standards. Reducing the city's carbon footprint is a focus for a number of city departments, a personal interest for city employees, and recognized as a standard theme for Austinites. The Strategic Facilities and Logistics Roadmap's focus on facilities and logistics is consistent with the desire to reduce the city's carbon footprint, since the majority of expended energy is used for buildings or transportation.

Visioning Sessions, continued

Strategic, proactive facility plans (with room to grow)

When asked about space needs, an overwhelming number of department leaders identified the need for strategic plans to better accommodate current and future employees. The general agreement was that growing departments have been accommodated by makeshift solutions with spaces that are too small and functionally outdated. Several departments stated that they are "busting at the seams" and are expecting continued growth. The overall consensus was an appeal to look at the bigger picture to address what is needed now and later so that future growth can be planned in an efficient and thoughtful manner.

"A city this rich and successful has people working out of closets due to space shortages."

In addition to space needs, departments would like to see proactive efforts for facility maintenance and furniture replacement. Participants recognize that timely repairs reduce or prevent the high costs of deferred maintenance.

Several participants asked about the future of leasing versus owning facilities and trends about departments' outsourcing services.

Public experience, process

In addition to the passion for providing good service, departments were interested in providing a positive experience and process when the public interacts with the city.

"The process is as important as the project."

Elements of the public experience include the design of offices the public visits and the neighborhood ties to city buildings and land (even if they are no longer functional or maintained, such as an unused city pool or old firehouse).

The door-to-door experience, be it the perceptively long walk across the river, difficulty finding visitor parking, or traveling from building to building to navigate the system, is recognized as an area for improvement. An interest in expanding the "One Stop Shop" concept at One Texas Center to other department services is popular.

Supportive workplace and environments to recruit and retain

Other than the overall demand for more space, participants were also questioning whether their environments truly support the way they work. Some department leaders are interested in creating more open work spaces to encourage collaboration, while others want space to accommodate acoustical privacy for work associated with confidential information. Changes in technology among other influences, such a shifting workforce, are responsible for how space is used and how it may be used in the future. Participants' opinions on technological advances varied. For example some job functions require the storage of paper documents and others are looking to go paperless. An interest in conference call capabilities contrasts with departments looking for more personal interaction. Mobile work was attractive for certain job functions, and unattractive for functions requiring public facing offices.

With continued anticipated growth for the city and significant numbers of employees being eligible for retirement, there is a focus on recruitment for the city overall.

"New employees are looking for flexibility, the cool factor, the coffee shop mentality."

Yet, with four distinct generations in the workplace, the needs are diverse. Workspaces need to be flexible in order to respect the needs of long-term employees, while responding to the needs and expectations of the emerging workforce.

EXECUTIVE INTERVIEW SUMMARY

Following the visioning session, RSP i_SPACE's workplace strategist and real estate strategist interviewed approximately 25 department leaders and their top level employees in small group settings. Many of the themes heard during these interviews mirrored the topics covered during the visioning sessions. The small group setting allowed for more detailed, informal conversations. RSP i_SPACE tracked topics common throughout the interviews. New discoveries and responses relevant to the visions session themes include:

Vision Session Theme: Dedicated, passionate and professional team
Twenty percent of the executive groups interviewed mentioned their departments required more professional workplace for serving the public and improving employee morale.

Vision Session Theme: Interest in collaboration, efficiency
74 percent of the interviews talked about the ability to collocate with other departments. Many departments have a close working relationship with other departments or offices within the city, which is an inefficient use of time for employees to travel 20-40 minutes to and from meetings.

64 percent of the interviews revealed the need for collaborative meeting spaces. Growth has led to conference rooms being used as offices, which then creates a shortage of meeting spaces.

Sixteen percent of the interviews involved discussions surrounding inefficient floor plans. About a third of the interviews brought up the division of their department by building being problematic for efficiently completing work. Comments ranged from the need to have desks for each employee as a home base to encouraging hoteling and minimizing office space needs.

The duplication of department efforts, especially maintaining information about city facility inventories, was suggested several times as a task to be centrally managed. A citywide integrated system for electronic file sharing, document management and time sheets was also recommended.

Vision Session Theme: City of Austin culture
Comments from the executive interviews were almost identical to those from the visioning session. A unique topic from the executive interviews indicated that part of Austin's culture is its high quality of life, but that is threatened by increasing home prices in the central city leading to a preference for city employees to live in areas that result in long commutes.

Vision Session Theme: Austin's geographic reach (versus downtown)
Approximately half of the executive interviews specifically mentioned needing to expand services due to the growing Austin geographic boundary and population. While services are required citywide, the majority of departments interviewed want to be near or in City Hall or One Texas Center. Some departments referenced adding satellite, or "storefront" facilities outside of the downtown area.

Vision Session Theme: Sustainability
76 percent of the interviews included discussions about sustainability or environmental awareness as a main cultural theme for Austin. Some department leaders were interested in providing showers and lockers for employees to bike to work, others recognized its importance, but were not as vocal about making changes within their own departments.

Visioning Session Theme: Strategic, proactive facility plans (with room to grow)
Many departments do not have enough space in their current office environment and more than half of the departments expect significant hiring increases. Additional space is required to accommodate both the current and new employees.

Interviews revealed that departments anticipated leases ending, and were unclear about their next move, ability to renew or ability to plan for their space.

Visioning Session Theme: Public experience, process
The mission of the City of Austin is to serve its citizens. A positive experience depends upon access and comfort within city offices and waiting areas. Visitor parking shortages for high-demand services such as libraries,

police stations, municipal court, and One Texas Center were discussed, and imply that visitors may have difficulty coming to do business at the city. Once the public arrives at city facilities, departments discussed a lack of public waiting areas, or public waiting areas that are outdated and uncomfortable.

Safe environments are an expected part of serving the public, yet multiple department interviews indicated that employees and visitors are engaged in confrontational situations on a daily basis. Some facilities need visible, monitored open public areas and other facilities need private secured meeting rooms.

Visioning Session Theme: Supportive workplace and environments to recruit and retain

Beyond the over arching problems with tight, inefficient office spaces and the need for collaboration rooms, departments discussed a variety of opportunities for their facilities to better support their employees and department's missions.

The need for acoustical privacy was referenced in 40 percent of executive interviews. Departments such as Health and Human Services have vigorous privacy and confidentiality requirements surrounding public information. Workplace configurations where people are meeting or making phone calls from cubicles make private conversations awkward or impossible. Less crucial reasons for required privacy included the ability to do focused work or have personal privacy.

Department leaders mentioned the need for their workspace to support succession planning and a changing workforce. 28 percent of the interviews revealed departments are expecting significant retirements over the next few years. Changing workforces and new employees are requiring training spaces, and traveling across town for training takes up valuable employee time.

Executive Interview Themes

Topics revealed during the executive interviews that were less prominent during the visioning session included:

- The desire for increased downtown visibility.
- Upgrading or replacing HVAC in many workplaces.
- Lack of storage space.
- Traffic, congestion and special events/tourism interrupt providing public service.
- Recognition that there are a number of undesired city facilities that neighborhoods will discourage (impounds, storage yards and waste facilities).
- The desire for the city to have one voice.
- Departments can be protective of their own space and reluctant to share.
- Lack of adequate software for mobile work.
- With facility improvements/expansions/collocation, some services that are currently outsourced that could potentially be brought in-house.
- Distrust between some departments. While many services are recognized as being able to consolidate with other department(s), there are unresolved issues about control, ownership, and the provision of services in shared facilities.

GAP ANALYSIS

The main purpose of the Gap Analysis Survey was to gather the collective input of department leaders in order to define and prioritize the gaps in current and desired performance. The survey will be used to create a "measuring tool" for the effectiveness of various strategies and scenarios during Phase III, allowing the RSP i_SPACE team to be able to evaluate achievement of organizational goals in a quantitative way.

The Gap Analysis Survey was sent out to 27 directors participating in the City of Austin Strategic Facility and Logistics Roadmap study. Of the 27 surveys sent, 19 responded for a 70 percent response. The 47 questions in the survey were broken into seven categories to align with the values established in the Imagine Austin Vision Statement. Each value was given a focus from a real estate and logistics perspective.

Imagine Austin Vision Statements

- Austin is Livable
- Austin is Natural and Sustainable
- Austin is Mobile and Interconnected
- Austin is Prosperous
- Austin Values and Respects its People
- Austin is Creative
- Austin is Educated

Gap Analysis Survey Question Categories

Aligning with the Visioning Session and Executive Interviews, the results of the Gap Analysis demonstrate a leadership team that recognizes:

Importance of citywide strategic planning in realizing their departmental goals. This can be seen in the fact that Inventory and Life Cycle Planning topped the importance ratings and made up the largest gaps.

Moving from silos toward a networked organization is key to becoming a "best managed city." Standing behind this point is the strong consensus around the importance of interdepartmental connectivity.

Generational shifts are on the horizon. The impending shifting of the city's work force is recognized through the response to survey questions focusing on succession planning, professional development, and employee recruitment and retention.

Although many of the areas that reflected little variance between current performance and importance were not surprising, there were a few areas that may need to be reconsidered in establishing priorities as we explore the operational strategies that will become paramount to the success of a strategic plan. Specific areas to consider fall under staff training and supporting sustainability through strategies which may expand beyond the built environment (i.e. flexible work programs, sustainable facilities, etc.)

Gap Analysis, Continued

Alignment with the goals that the city has already set through the Imagine Austin initiative provided a solid foundation for the Gap Analysis Survey. Weighing the current performance against the level of importance of the below seven Imagine Austin categories helps to point out the areas that leadership identifies as in need of improvement. The charts on the following pages detail how each category is perceived by city department leaders.

Livable... A passion for providing great service for the City of Austin.

Natural and Sustainable... Sustainable values are reflected in real estate, service delivery and every day operations.

Mobile and Interconnected... Our environment and the way we deliver service focus on the greater good of our community.

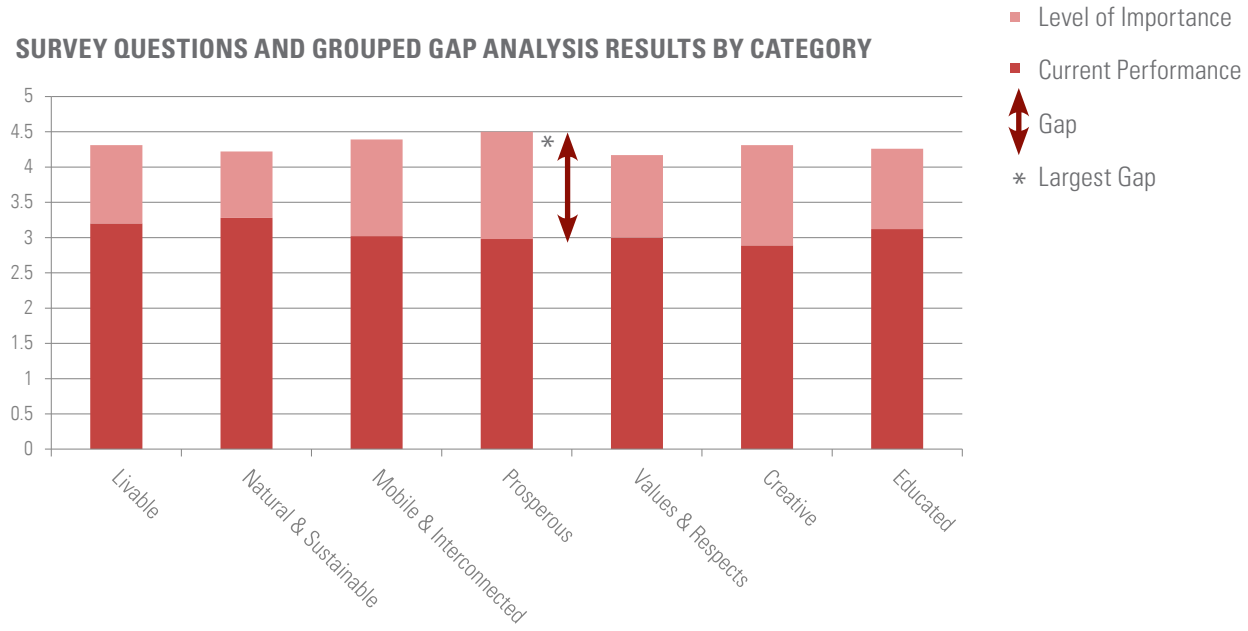
*** Prosperous...** Financial resources put to the highest and best use, are used to deliver best in class services and invest in our workforce to develop leaders. Prosperous was the category with the highest average importance (4.50 out of 5) and also the category with the largest gap (1.50) between importance and current performance. **(Top Gap)**

Values and Respects People... The message of our facilities and operations align with how we would like our employees to feel. The points of public interface reinforce a service attitude toward our customers.

Creative... Our culture and environment encourage and support innovations at all levels of the organization.

Educated... We provide consistent and proactive opportunities for the public to connect with and access the city.

SURVEY QUESTIONS AND GROUPED GAP ANALYSIS RESULTS BY CATEGORY



While it is beneficial to look at the Gap Analysis Survey questions segmented into Imagine Austin categories, it is interesting to look at how the individual questions compare overall by importance and the extent of the gaps. The questions with the overall highest level of importance are values that city leadership hold in highest regard. Many of these values carry over to the questions with the largest gap between current performance and level of importance as determined by staff participating in this survey. Ease of access, inventory, and lifecycle planning are great examples of issues that are rated as very important, but are perceived as not performing at their optimal level. Inter-departmental relationships, recruitment/retention, and workplace appearance are other issues that take different forms on the highest importance and largest gap lists, but prevail as top issues nonetheless. Closing the gap between the level of importance and current performance on these items will allow the city to more closely align with the Imagine Austin initiative and staff values.

The following page highlights the questions that received the highest average level (or rating) of importance and the questions with the largest gaps. Note that some of the questions appear on both lists.

Gap Analysis, Continued

QUESTIONS WITH THE HIGHEST AVERAGE LEVEL OF IMPORTANCE

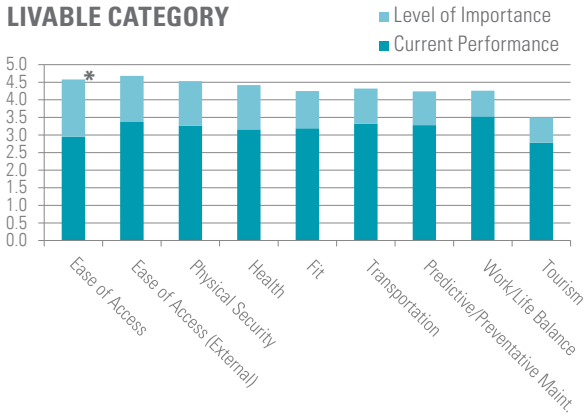
Gap Analysis Survey Question	Level of Importance (out of 5)
Ease of Access (External): Offices are located and staffed to maximize customer support and convenience.	4.68
Professional Development: Staff continuing education is encouraged and supported so they can enhance their value within the organization and keep pace with industry trends and best practices.	4.63
Interdepartmental Collaboration: City departments work together to provide comprehensive access to information.	4.63
Inventory: There is a collective and comprehensive inventory of our land and facilities to aid in effective strategic planning.	4.59
Ease of Access: Employee and customer parking is available and convenient.	4.58
Sustainable Triage: Modifying or replacing inefficient systems (water fixtures, heating, cooling) is a priority.	4.56
Life Cycle Planning: Our facilities are planned, operated and disposed of based on life cycle planning and principles.	4.56
Succession Planning: Work facilitates the transfer of knowledge between the existing and the next generation of employees.	4.56
Physical Security: Facilities provide adequate security measures.	4.53
Workplace: Our workplace encourages the creativity, behaviors, and attitudes in keeping with our goal to become the "best managed city in the US."	4.50

QUESTIONS WITH THE LARGEST GAPS

Gap Analysis Survey Question	Gap
Life Cycle Planning: Our facilities are planned, operated and disposed of based on life cycle planning and principles.	2.31
Space Availability: A balance is maintained between sufficient and excessive space inventories.	2.31
Investment: Our facilities are not treated as an expense item, but as an investment with an expected return that includes financial as well as other potential returns.	1.91
Inventory: There is a collective and comprehensive inventory of our land and facilities to aid in effective strategic planning.	1.84
Functional Use: Facilities are planned and used in a manner to gain the best use of the building as well as the best environment for the occupants.	1.75
Employee Recruitment and Retention: Work environments act as a catalyst for attracting, retaining and training top talent.	1.73
Ease of Access: Employee and customer parking is available and convenient.	1.63
Design: Facilities design and appearance display the creative energy of our city's culture and heritage.	1.63
Collaboration: Collaborative spaces (scheduled and unscheduled) are available and encourage productive, meaningful encounters and informal collaboration.	1.61
Inter-Departmental Connectivity: Facilities accommodate and encourage opportunities for valued inter-departmental collaboration.	1.48

Gap Analysis, Continued

LIVABLE CATEGORY



*** Ease of Access:** Employee and customer parking is available and convenient. **(Top Importance/Top Gap)**

Ease of Access (External): Offices are located and staffed to maximize customer support and convenience. **(Top importance)**

Physical Security: Facilities provide adequate security measures. **(Top Importance)**

Health: Facilities are conducive to supporting employee health and wellness.

Fit: Facilities are appropriate for the use of the public and reflect the culture and values of the city.

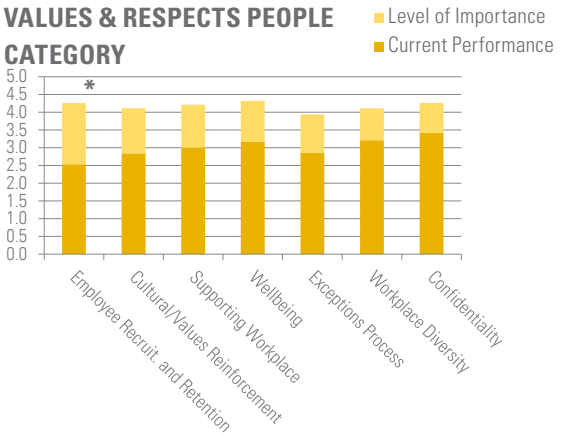
Transportation: Alternative transportation strategies are supported by facility locations, programs and incentives.

Predictive and Preventative Maintenance: Facility maintenance projects are predicated based on equipment and structural service requirements.

Work/Life Balance: Flexible work schedules are supported and encouraged.

Tourism: Tourism and large events have minimal impact on operations.

VALUES & RESPECTS PEOPLE CATEGORY



*** Employee Recruitment and Retention:** Work environments act as a catalyst for attracting, retaining and training top talent. **(Top Gap)**

Cultural/Values Reinforcement: The work environment reflects our cultures and values.

Supporting Workplace: The workplace supports and keeps up with the way we want to work today.

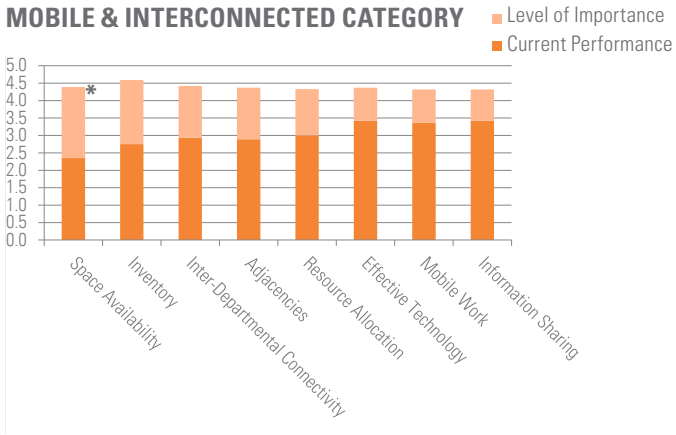
Wellbeing: The use of technology strikes a comfortable balance with the need for social interaction and connection to the natural world (exposure to natural amenities such as daylight, fresh air, etc.)

Exceptions Process: The process for evaluating exceptions to established space standards is consistently and fairly applied.

Workplace Diversity: Facilities are designed to respond to a shifting and increasingly diverse workforce.

Confidentiality: Personal and professional privacy is accommodated.

MOBILE & INTERCONNECTED CATEGORY



*** Space Availability:** A balance is maintained between sufficient and excessive space inventories. **(Top Gap)**

Inventory: There is a collective and comprehensive inventory of our land and facilities to aid in effective strategic planning. **(Top Importance/Top Gap)**

Interdepartmental Connectivity: Facilities accommodate and encourage opportunities for valued inter-departmental collaboration. **(Top Gap)**

Adjacencies: I am adjacent to those departments and people that are critical to my operation. **(Top Gap)**

Resource Allocation: Our field staff and the supporting network of services are optimally staffed, supported and supplied.

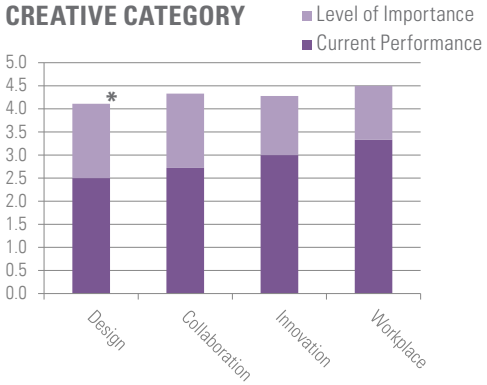
Effective Technology: Our technology promotes effective communications and personal relationships.

Mobile Network: Facilities, technology, policies and training provide and support productive work anywhere, anytime.

Information Sharing: Technology and software makes information sharing efficient.

Gap Analysis, Continued

CREATIVE CATEGORY



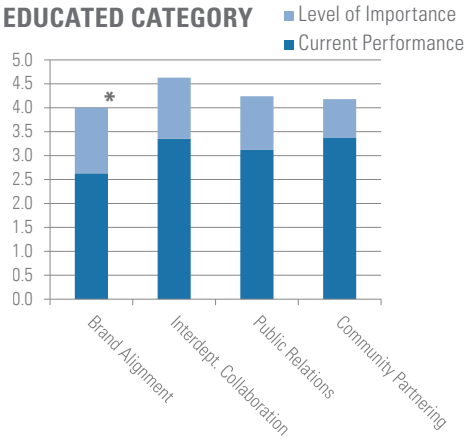
*** Design:** Our workplace encourages the creativity, behaviors, and attitudes in keeping with our goal to become the "best managed city in the US." **(Top Gap)**

Collaboration: Collaborative spaces (scheduled and unscheduled) are available and encourage productive, meaningful encounters and informal collaboration. **(Top Gap)**

Innovation: Our workplaces empower employee innovation.

Workplace: Our workplace encourages the creativity, behaviors, and attitudes in keeping with our goal to become the "best managed city in the US." **(Top Importance)**

EDUCATED CATEGORY



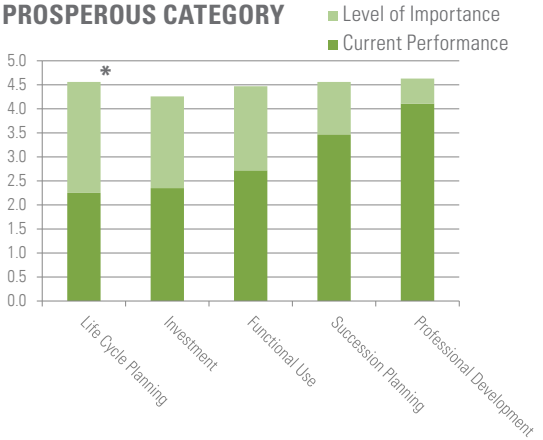
*** Brand Alignment:** Facilities provide opportunities for customer awareness and education on product and programs, successes and initiatives.

Interdepartmental Collaboration: City departments work together to provide comprehensive access to information. **(Top Importance)**

Public Relations: Facilities provide opportunities for customer awareness and education on product and programs, successes and initiatives.

Community Partnering: Planning for facilities and service align with the needs and wants of Austin's neighborhoods.

PROSPEROUS CATEGORY



*** Life Cycle Planning:** Our facilities are planned, operated and disposed of based on life cycle planning and principles. **(Top Importance/Top Gap)**

Investment: Our facilities are not treated as an expense item, but as an investment with an expected return that includes financial as well as other potential returns. **(Top Gap)**

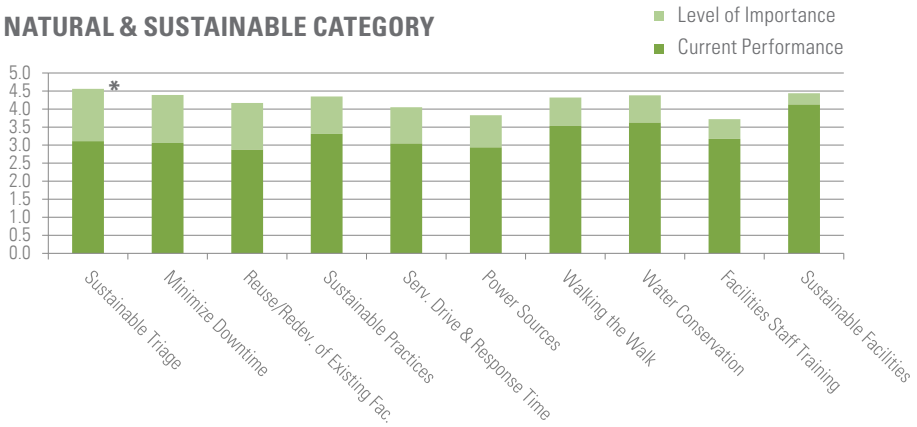
Functional Use: Facilities are planned and used in a manner to gain the best use of the building as well as the best environment for the occupants. **(Top Gap)**

Succession Planning: Work facilitates the transfer of knowledge between the existing and the next generation of employees. **(Top Importance/Top Gap)**

Professional Development: Staff continuing education is encouraged and supported so they can enhance their value within the organization and keep pace with industry trends and best practices. **(Top Importance)**

Gap Analysis, Continued

NATURAL & SUSTAINABLE CATEGORY



*** Sustainable Triage:** Modifying or replacing inefficient systems (water fixtures, heating, cooling) is a priority. **(Top Importance)**

Minimize Downtime: Facilities design supports workflow and minimizes downtime.

Reuse and Redevelopment of Existing Facilities: Strategic planning considers repurposing and or reuse of existing facilities.

Sustainable Practices: Green strategies (electronic document storage, green housekeeping…) are identified and implemented consistently.

Service Drive and Response Time: Services offered at regional/field sites are aligned to create efficient responses while minimizing drive time and carbon footprint.

Power Sources: Renewable energy programs in our facilities are supported.

Walking the Walk: How and where we work in our environment supports sustainability.

Water Conservation: City land and portfolio standards for water conservation /reuse act as a model for the community (i.e. on-site water reuse).

Facilities Staff Training: Facilities operations staff are trained in the processes and procedures associated with sustainable facilities management.

Sustainable Facilities: Measurable goals and practices (i.e. LEED Certification) are required for all major new and remodel projects.

REAL ESTATE MARKET

A market working to equilibrium

While the balance of the country has contended with dramatic shifts in pricing of real estate over the last few years with recovery coming in spits and spurts, Austin had a more muted impact, as the economic turmoil hit both real estate and the economy as a whole in Austin.

The strength of Austin's market within the US can be seen in its ranking by *Business Facilities* magazine. In the July/August 2011 edition, Austin held the following rankings:

- Clean Tech Leaders: Austin Ranks number 2
- Top five high Tech Hubs: Austin Ranks number 2
- Job Growth Leaders: Austin ranks number 4
- Economic Growth Potential: Austin Ranks number 1. (in markets with 750,00 average employment)

Market indicators for commercial real estate in Austin are observed to be moving from favoring tenants and buyers to landlords and sellers over the past 18 months as presented by a distinguished panel of experts during the Austin Institute of Real Estate Management's (IREM) annual Forecast Forum on November 9, 2011. It is indisputable that Austin shows more strength than most markets across the United States.

Vacancies in the office market have declined over the last five quarters with rents beginning to show strength. As reported by CBRE Second Quarter 2011 (see appendix) this trend has underscored a dramatic change from the 2007 period when rents and occupancies peaked. Large lease transactions including Polycoms's 124,000 square foot transaction and PayPal's 27,000 square feet lease continue to deplete the inventory of direct vacancy and sublease space on the market.

Also shown in CBRE's Second Quarter 2011 market report is the trend of downtown leasing creating a strengthening core market. While the suburbs continue to have the greatest percentage of available space and the northwest market in particular is a popular place for expansions and relocations, the Central Business District (CBD) exhibits lease rates at an historical high for the City of Austin. This can be seen in the report's statistics showing the difference (delta) between average asking rates in the CBD verses the suburban markets at $12.35 per square foot in 2011 as compared to $2.95 per square foot in 2005. The trend is anticipated to continue.

The future appears to contain a market with less benefit to the buyer and lessee, and more leverage to the seller and lessor. What does this mean for the City of Austin as it looks to the future and creates a planning horizon for the best functionality of its own facilities and real estate? The primary lesson derived is that thoughtful and strategic planning will be a necessity, not an option as the city makes real estate and facilities decisions. The benefits the city will see is that any current surplus facilities or real estate should be looked upon as an asset that provides real value to the city. With anticipated continued population growth the needs of the private development sector will continue to grow and sales activities that were previously driven by bargain hunters will continue to disappear. Purchases of real estate assets have come most recently at "normal" market pricing. The opposite side of the coin is that where the city needs to add land or facilities, the bargains are mostly gone, and they can expect to pay market prices for future needs. These two issues should balance each other out and allow for the city to be both a buyer and seller in a marketplace that is close to equilibrium, if not slightly tilted to the owner/seller. This will continue to evolve as both the national market adjusts to "new normal" economic environment, and as Austin continues to find its own local economy in that national overlay.

Activities and issues of significance

While the Austin real estate market is continuing to evolve and grow a few items below are worthy of note as they show a broad scale of activities that give insight as to how the market is evolving.

Airport Boulevard makeover

This focused effort by the city to revive the upper Airport Boulevard area will have major economic and cultural impacts over the next decade. The final outcome will be based on additional research and planning. The city's real estate portfolio impact on the project and from the project should be part of an integrated planning process.

Real Estate Market, continued

Highland Mall

The purchase of Highland Mall by Austin Community College will have a significant impact on the property itself as well as the surrounding community. With direct access to Capital MetroRail and a redevelopment of the sight to an educational institution, the neighborhood surrounding the mall will have a decades' long transition impacting many aspects of life around the new campus.

Capital METRO

The commuter rail and other transportation changes implemented and planned for over the next decades will have a significant impact to the City of Austin. Urban rail and other aspects of infrastructure improvements are being done at great expense with substantial hope for a positive impact to the region and the city. This is an important part of how Austin will function as a city as well as work within the region. With this in mind it will be important to understand and plan for the impacts and changes expected and intended by this new transportation planning as real estate and facilities strategy is created.

Waller Creek Redevelopment

The vision portion of the master plan documents for the Waller Creek redevelopment state:

> *"Of primary importance in setting the direction -for the future of Waller Creek is reinstating its environmental value as a natural feature within the urban landscape. The plan envisions the restoration of the ecological functions of the creek corridor and emphasizes its role as a living element with unique amenity value that can contribute significantly to the identity and livability of the city,* ***and to the economic vitality of the Downtown.****"*

It goes on to comment,

> *"It will then also be a* ***catalyst for redevelopment*** *and revitalization, a centerpiece of a revitalized east side of Downtown and an attractive amenity that helps to overcome the barriers that exist between Downtown and East Austin."*

It will be important to have this redevelopment plan as an essential reference as the city looks at its use of facilities currently located within this area, and potential future plans for facilities in this area.

The above examples show the diversity of emerging opportunities. Each of these and other examples of issues and developments happening in Austin are important factors to consider as the overall strategy of the city evolves for its own real estate and facilities real estate portfolio. Will the city influence or lead development by its actions with its own facilities or will it be a follower of existing trends set by private developers and owners? The city will be forced to make this type of decision in many areas, especially where its own facilities may not be the most appropriate fit for the existing or contemplated future neighborhood.

The City's Position in the Marketplace

Lack of inventory control and strategic planning, when it comes to real estate and facilities owned by the city, is a threat to the city's position in the marketplace. With departments and divisions focused on their individual mission, needs and issues, there is not a clear focus on how the real estate and facilities for each of those departments interrelate to each other or to the mission of the city as a whole. One of the basic needs the city has is a single place to track its entire real estate and facilities inventory AND a single strategic function that works to continually review the use of the inventory and work to dispose of or repurpose underused assets for the city. Properly developed and implemented, a citywide strategic real estate and facilities organization would be able to obtain the real value out of the disposal of existing buildings and raw land that are not being used to their potential.

GEOPOLITICAL

The city's facilties need to be able to anticipate and respond to current and future geopolitical issues to be effective within a citywide plan. Despite the familiarity of this information, the geopolitical context for making facility decisions is a critical component of the Strategic Facilities and Logistics Roadmap.

The dynamics of how facilities are bought, sold, leased and used is influenced by more than just the ability to meet an investors or user's needs. Facilities are influenced by factors other than their geographic location or use. We call these geopolitical influencers. Every market has a different set of influencers and each set of influencers has a unique impact on a property.

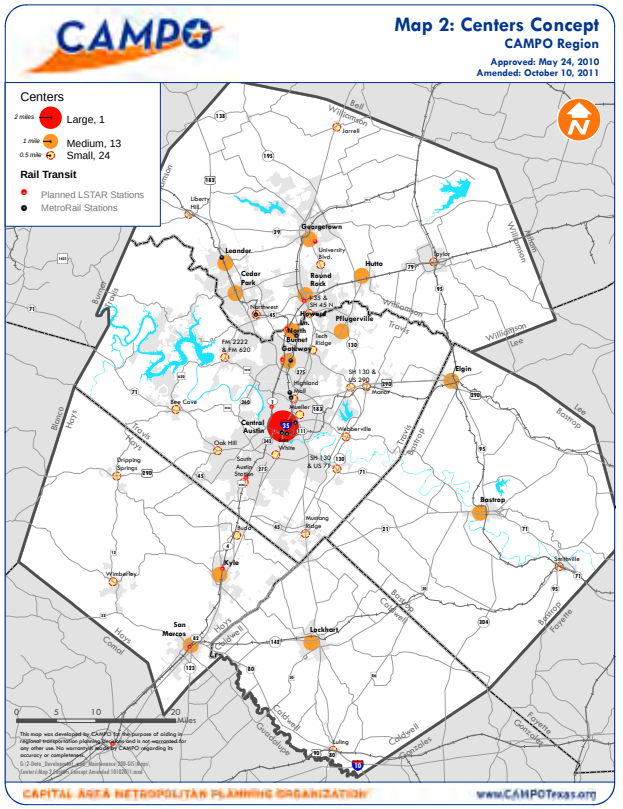
The purpose of this section is to review those areas that have the greatest impact or influence on the Austin market in this world of geopolitical influencers. It is not deemed to be exhaustive, but what we believe to be those areas that have the greatest impact. Geopolitical issues need to be carefully weighed by the city for two reasons. The decisions made by the city have to be in tune with and take into consideration of these influencing factors. Equally important is the impact the city imposes on staff, citizens, neighborhoods, and the culture of the city as a whole when making decisions on what facilities to place or stay in certain locations.

Transportation Infrastructure

According to the Texas Transportation Institute, Austin has the third worst traffic in the United States. Besides being one of the fastest growing areas of the country, other factors contributing to traffic problems include increased truck traffic through the I-35 corridor, significant numbers of government offices and services located in the urban core, and one of the largest universities in the country situated in the heart of the city. Congestion and transportation infrastructure are both major concerns and need to be major considerations as facility decisions are made. Commuters in the city are subjected to severe constraints by the current transportation infrastructure.

While traditional roads and freeways continue to be the primary method of moving the majority of traffic, currently the City of Austin and surrounding communities are looking at and working on many alternative transportation solutions. These include demand reduction (car-pooling, increased toll thoroughfares, HOV lanes, and other economic incentives), and those that take people off the traditional pathways, including bus, rail, bicycle and pedestrian options.

Capital Area Metropolitan Planning Organization (CAMPO) in their recent Transportation Plan has focused on creating an overall infrastructure plan that considers the entire region, with particular focus on the most congested areas. The concept emphasizes investing a large percentage of its funding on projects that support the "activities centers" concept shown on the Centers Concept map, with the core of Austin being the central and largest of these.



CAMPO Map 2: Centers Concept, Amended October 10, 2011: Accessed at http://www.campotexas.org/pdfs/Map%202%20Centers%20Concept%20Amended%2010102011.pdf

Geopolitical, continued

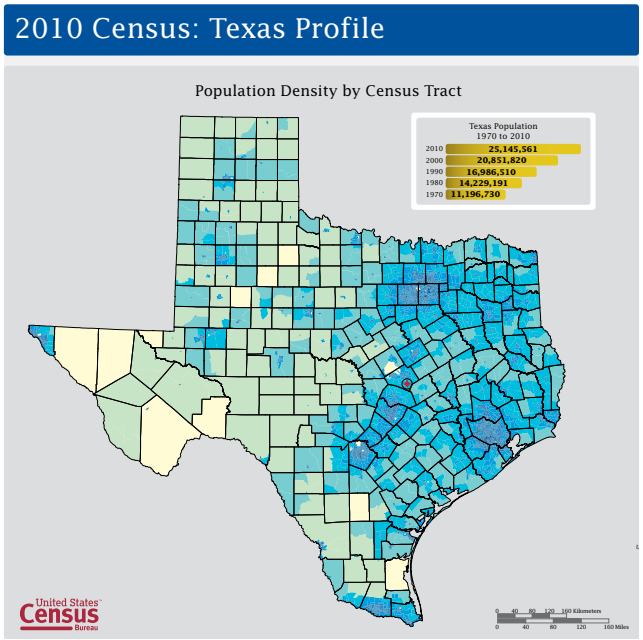
Based on current information and projections, the inward bound commute to Austin's core (and surrounding neighborhoods) will continue to grow. On the chart on the right it can be seen that the largest percentage of commuters who stay IN their county to commute to work are in Travis County, while all of the surrounding counties have an inverse pattern (with the vast majority of commuters leaving their county to get work.) The data indicates a continued need for infrastructure and solutions as most commuters will be coming from greater distances to come into the core (and the suburbs/outlying neighborhoods of Austin) to work. This also emphasizes that it is a regional issue as much as it is a city issue.

Geopolitical, continued

Demographics

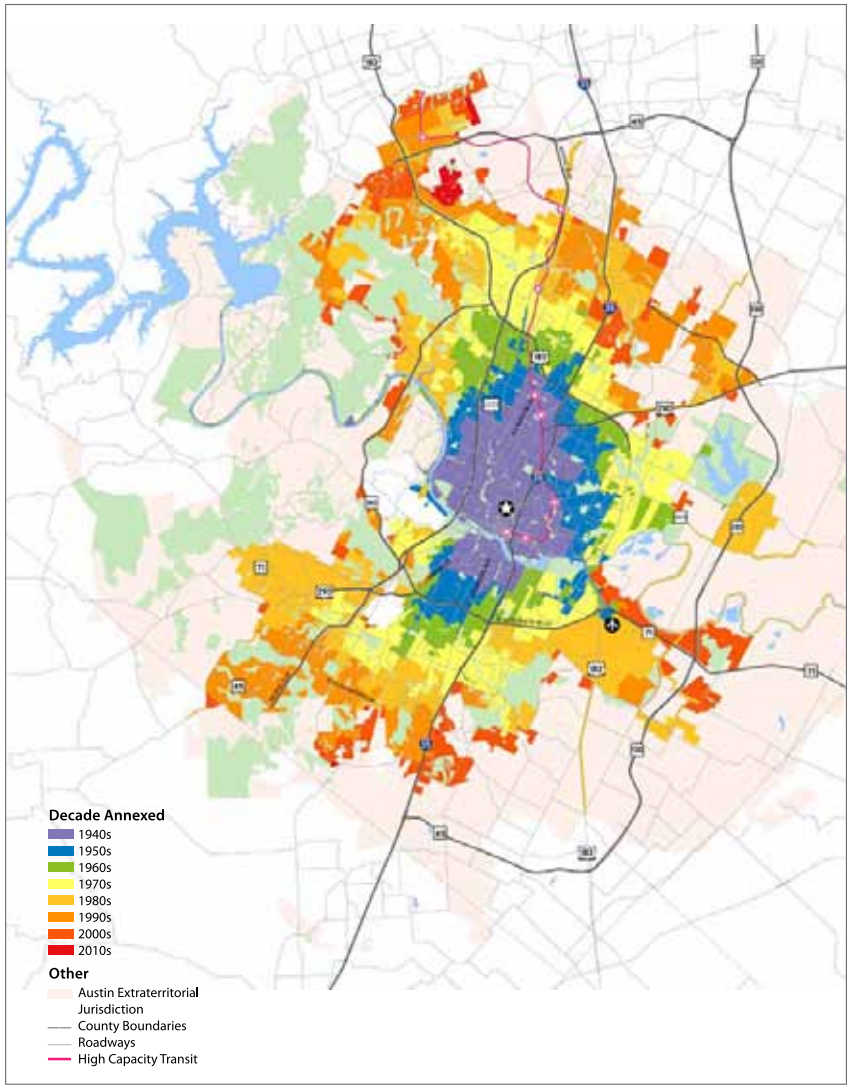
Austin has grown fast for more than the past century. Since 1900, the city's growth has been remarkably consistent (nearly doubling every 20-25 years.)[1] Population growth has heavily influenced the geographic expansion of the city, both out and up-including annexation and urbanization of city boundaries and higher density development in sections of central Austin.

The context of Austin's geographic expansion is not isolated. Located along frequently traveled transportation routes, Austin's urbanized areas on the outskirts of the city fall along a pattern of north/south population densities (see map below) along Interstate 35 between Dallas and San Antonio.



2010 Census

AUSTIN'S URBANIZED AREA 1940-2010[2]



City of Austin Imagine Austin Comprehensive Plan - Austin's Urbanized Area: Accessed at http://www.ci.austin.tx.us/compplan/compnews.cfm?nwsid=3065

Geopolitical, continued

Based on population growth trends and research compiled for the updated "Imagine Austin" comprehensive plan, growth is expected to continue in a similar manner going forward. The pattern of annexation and Austin's growth policies have led to the city to comprise a relatively sizable percentage of the overall Metropolitan Statistical Area (MSA) in comparison to the majority of cities across the nation. Austin ranked as the 14th largest city in the country in 2010, yet was the 35th largest MSA. The City of Austin land area is 252 square miles, and the Austin MSA is 4,224 square miles.[3] Austin's relative city versus MSA size is a benefit in terms of having more regional systems and efficiencies, but increases the complexity, geographic extent, and type of every day services the city is required to provide on a regular basis.

Austin's city demographer, assembled a list of the top ten demographic changes within the city based on 2010 Census information.[4] These include:

- Austin is now a **Majority-Minority city** (no ethnic or demographic group is a significant majority of the population)
- **Decreasing families-with-children share in the urban core** (absolute numbers of families-with-children have increased, but these families will in relative terms are expected to become increasingly poor or wealthy due to the middle class movement to outlying areas)
- **African American population share to decrease** to the extent of becoming five percent of the population or the smallest minority group within the city, and are dispersing into the suburbs. **The Hispanic share of the population is nearing 35 percent** - impacting city services due to the trend of Hispanic families having more children per household, decreasing the city's median age and concentrating in lower east Austin, Dove Springs and the St. John's area. The **Asian population** share is increasing to **6.5 percent of the population.**
- An increasingly **sharp edge of influence** is that socioeconomic spatial separation has taken place. Wealth has moved into the hills west of the city, and as this wealth leaves the city it becomes increasingly difficult for services and facilities to be funded by the city as the entire region continues to use these services.
- **Regional indigent health care burden is expected to increase** and the city's responsibility of the cost will also continue to grow.
- **Intensifying urban sprawl**; despite several areas of downtown becoming more dense, the majority of growth is taking place on the outskirts.

With the media's focus on growth, development, innovative business environment and reinvestment around Austin, it is important not to bypass the less fortunate population. Low-income families, at or below the 50 percent median family income, are dispersed throughout the city and 18 percent of the city is living in poverty. Despite these figures, high when compared to national statistics, the percentage of high school and college educated individuals is higher than much of the country. In 2010, 84.8 percent of the Austin MSA had a high school diploma and 44 percent had earned a college degree.

Geopolitical, continued

Business Environment

Over the past four decades, Austin's economy has experienced significant growth in employment and Gross Domestic Product (GDP). The favorable business conditions are well recognized in national media sources, with articles furthering the attraction to a city known for its creativity, quality of life and entrepreneurial spirit.

The success of Austin's business environment, includes a strong concentration of technology companies and vibrant music, art and cultural scene create an appealing environment.

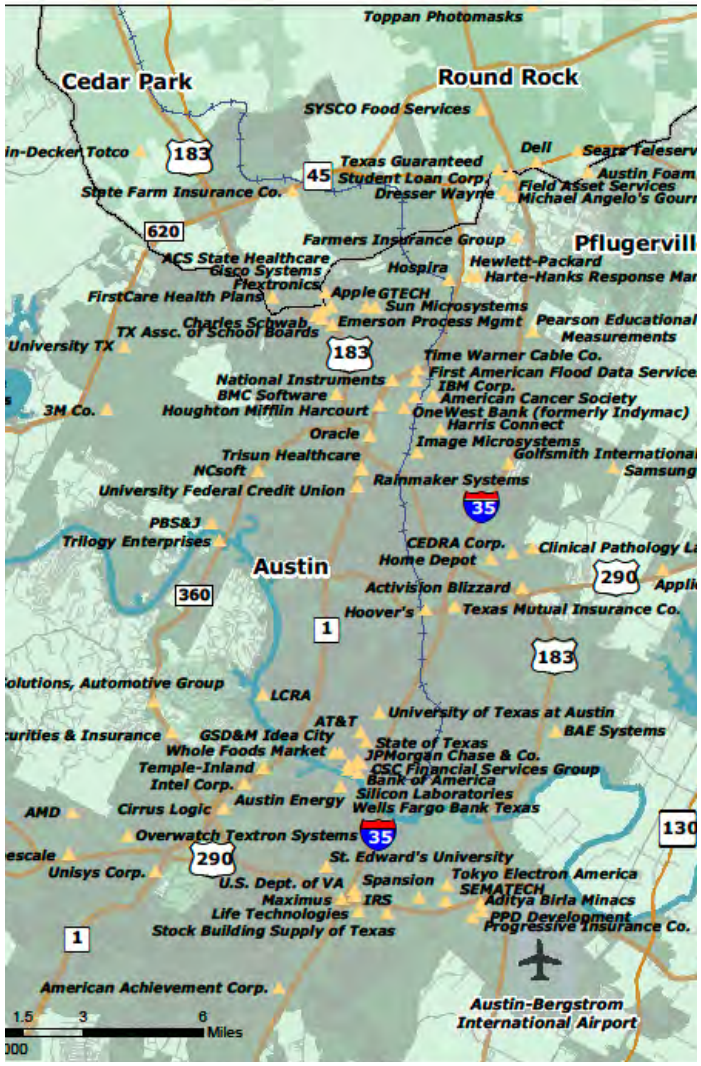
In the 1970's, the Texas state capital had a population of approximately 400,000 people. Major employers included the State Government and the University of Texas. Overall the business environment was less dynamic, less innovative and less widely revered as is has become. Since 2008 and during a time of recession, Austin employment has fared better than most metropolitan areas. From the second quarter of 2010 through the first quarter of 2011, Austin has been one of twenty large metropolitan areas that consistently gained jobs. In September 2011, the Austin MSA ranked eighth for lowest unemployment rates among the 50 largest metros.[5]

Part of the success during the recession can be attributed to being the state capital. Capitals have been less likely to experience job cuts than other large metropolitan areas (state government employment has increased in Austin.)[6] Location within the State of Texas has been an advantage, given the low-taxes and overall economic growth of the state. The state's economy influences the number of government jobs in Austin, and with Texas as "home to more Fortune 500 companies than any other… accounted for an astonishing 59 percent of all new jobs created in the U.S. last year."[7]

The metropolitan area around Austin includes Round Rock, Georgetown and Cedar Park, all hosting businesses and identified collectively as the technology center of the southwest. Well known for its high sales revenue and for having over 16,000 employees, is Dell. Other large technology corporations include AMD, 3M, IBM, Samsung, Freescale and National Instruments. Major employers also include the Texas Department of State, University of Texas, Austin Independent School District, Texas County and District and the Lower Colorado River Authority. Other employers, such as Whole Foods Markets and Facebook, provide high-profile reputations and are examples of businesses positioned for growth.

The map to the right illustrates the location of major employers across Austin.

AUSTIN REGION 2010 MAJOR EMPLOYER LOCATIONS



Austin Chamber of Commerce 2010,
Accessed at http://www.austinchamber.com/index.php

Geopolitical, continued

The emergence of this strong business economy developed through the favorable business conditions over time, including:

Low taxes and incentives
No Texas state income tax, a low tax environment, and history of tax incentives to relocating corporations has drawn large employers to Austin.[8]

Human capital
With a 44 percent of the population having earned at least a bachelor's degree (compared to 28 percent nationally), companies in or attracted to Austin are confident in finding educated talent.

"Austin's genius is nurturing the power of small" and Austin is listed as #1 for Best Cities for the Next Decade."[9]

Venture capital/Entrepreneurs
The large scale angel-financing network offers advice to new entrepreneurs and a culture that attracts the "best and brightest."[10]

Low-risk of natural disasters
The low-risk of natural disasters and ample land available has been attractive for locating large data centers and other uses necessitating secure environments.

Central geographic location and access
Located between to Central and South America and all of North America, as well as being a central location between the east and west coasts with a reliable, international airport and along Interstate 35, Austin is attractive to national and international businesses for its accessibility.

Quality infrastructure
A dependable energy supply, transportation and telecommunications all contribute to the ease with which businesses may originate in Austin or relocate to the area.

High quality of Life
With relatively low cost of housing, transportation and food compared to national averages - "The median household income is relatively high, just $2,000 less than the median income of Lost Angeles, one of the most expensive metro areas in America to live."[11] Despite the low cost of living, cultural and natural amenities are readily available and in strong supply, given the size of Austin.

Supportive Business Climate
The economic development efforts that have contributed to this list are aided by the robust efforts of the Austin Chamber of Commerce in conjunction with the city's economic development department. Clear, intentional partnerships with educational institutions, including the University of Texas and community colleges, strategically prepare and connect students and research work with business community initiatives and needs.

Austin's challenges and economic initiatives include:

Recognized need to diversify
Austin has a great start in this market as it ranked 36th among the 100 largest metro areas and expects to grow over five percent annually.[12] Austin Energy is recognized as an employer well poised in this arena.

Austin is pursuing the clean, or "green" economy in an effort to capture a portion of this emerging market, align the sustainable goals of the city with the type of jobs available, and build an economy less dependent upon high tech sectors that make up so much of its current employment.

Segregation of job types
Efforts to train and prepare all levels of employees for jobs are a goal of the Austin Chamber and other educational institutions and the city.

Increased congestion and traffic
With the rapid employment and population growth, as well as the distribution of major employers around the city, commute times and congestion are commonly recognized problems. The Austin Chamber of Commerce has formed a "Take on Traffic" committee to develop a solution to the traffic in Central Texas so that the area can continue to attract and retain the best and the brightest.

Geopolitical, continued

Governmental Agencies
The City of Austin is home to the following agencies and organizations, each having a significant footprint in the City of Austin in terms of employees, influence, programs or other economic factors, including real estate and facility needs:

Federal Government: The Federal government (split between the IRS and the USPS) employs over 10,000 workers in the Austin MSA, making the Federal Government a large user of both office and service-center space.

State Government: With more than 50,000 state workers in the Austin area[13], and potential for major cuts ahead if the legislature makes the deep cuts they have discussed working with this group would be a way to see if there are compatible ways to use current or develop future facilities together. This block of employees represents the single largest block of employees in the Austin area. Their footprint is large and diverse and should become a partner in future strategic planning.

County Government:
Currently there are working relationships in the delivery of services (Health and Human Services, EMS, and others) and the city should, where possible, pursue collaborations with Travis County. The county possesses over two million square feet of facilities, a $47 million operating budget, $380 million capital budget and 170 employees in the facilities area.[14]

Austin Independent School District: With an operating budget nearing $1 billion, over 11,000 employees and more than 120 schools and other buildings[15] this agency has a great impact on the city as a whole economically, emotionally as well as politically. In 2011, the city and county initiated considerations of various partnership ideas, including some in the area of facilities. In 2011, the city and county initiated considerations of various partnership ideas, including some in the area of facilities.

It is important to view the Austin Independent School District as a partner in strategic planning to insure a great working relationship with a true community foundation.

Land Use/Transportation: Transportation infrastructure is a decades old problem that is getting worse by the day. Careful and strategic planning in the location of future facilities and expansion of current ones will be required. Transportation planning is beginning to determine Land Use planning, rather than the other way around.

CAMPO: As discussed in the previous section CAMPO's impact is an important one. Austin has a big seat at the table, though the region is the driver behind the overall planning efforts.

Edwards Aquifer Authority: As one of the most sensitive environmental issues in the region land use planning, transportation pathways and development direction will be influenced by the aquifer. Many of the decisions of what can go where will be dependent upon the aquifer, and it will to shape the growth and geography of the city.

Lower Colorado River Authority: While an important agency now in terms of water use and regulation, this agency could become even more critical in the next few years. Pundits are now predicting that water will be the gold of the next decade. The current drought in the southwest is highlighting the enormous impact on the economy, politics and daily life a water shortage can have.

City and Agency Services Overlap: What has become evident in recent years is individual agencies or cities view their agenda as the most important one. Austin is in the middle of many competing views, ideas and priorities. It will be an important task for the city to insure they are a catalyst for change; change that brings about unity. This will be a difficult but important step for the city if it is to be perceived as the true leader in the region.

Geopolitical, continued

While the City of Austin may be congratulated on its working relationship with many of these entities, strategic thinking and planning with these same agencies surrounding the real estate and facilities needs are virtually nonexistent. While there are additional agencies and organizations to be considered, only with focused long-term strategic planning effort will the city of Austin be able to make these organizations and others partners in real estate and facilities. These relationships can grow to become a financial and service delivery advantage to both parties.

The city currently works with these and other organizations from a business, legal and process standpoint but has minimal focus on working strategically in the area of real estate and facilities.

University of Texas – Austin

Founded in 1883, the University of Texas (UT) at Austin is one of the largest universities in the nation with more than 51,000 students, 24,000 staff and faculty, and 300,000 continuing educational credit enrollments. In 2010 the university ranked 12th on *Newsweek's* "25 Most Desirable Large Schools" and has a strong academic reputation among top national universities. The Chamber talks about a vision for Austin to have one of the most educated talent pools in the country, that includes 15 school districts and ten higher education institutions and leads an initiative to boost college enrollment by 30 percent between 2005-2010.

The constant flow of young new talent and visitors turned residents has had a major impact on the culture and politics of Austin, as well as on the growth of many industries and business in the area. This culture and impact will continue to grow as the University continues to produce strong and dynamic residents of the city, interacting and assimilating with the other major demographic groups of the city including the older, mature citizens and poorer and less educated.

Tourism

The Austin tourist industry accounts for a significant influx of individuals, employment opportunities and increased tax revenue. The Austin-Round Rock MSA in 2010 had 19.8 million day- and overnight- visitors, travel spending of $4.5 billion dollars, and tax revenues generating $765 million dollars in local, state and federal taxes ($187 million in local tax revenue).[16] In Austin (and Texas) the taxes are structured such that visitors, rather than residents and businesses, pay for most travel-generated taxes.[17] The direct travel-generated employment was more than 45,000 jobs in 2010.[18] As a result, Texas consistently has travel and tourism among it's top three largest industries,[19] and Austin is not far behind with tourism ranking as Austin's sixth largest economic sector.[20]

Outside of recreation, the business community with its high-tech business industries, start-ups and global headquarters brings visitors from around the world and is a convenient point between North, Central and South America. "We know that business travel is, and will continue to be, a good economic driver for Austin and the U.S. Now that we have a successful study by one of the world's leading economic research firms, we can confirm that business travel is also a benefit to the nation's companies. Moreover, we can quantify that benefit," said Bob Lander, President and CEO of the Austin Convention and Visitor's Bureau. "Meetings create new business opportunities, strengthen relationships, build partnerships, reinforce the existing customer base and increase market share."[21] Business travel can also be accountable for more cyclical travel spending figures since it is dependent upon business trends.[22]

Downtown Austin is a prime destination for travelers, the hub for large musical festivals like South by Southwest, and University of Texas games. It is estimated that more than 80 percent of metropolitan area visitor spending and related impacts take place downtown. Despite the abundance of activity downtown, the city depends upon the surrounding areas, counties and suburbs for additional support to this industry, and visitors often stay with friends or relatives in suburban residential Austin when attending events and attractions within the city.[23] This activity adds to traffic on roads into downtown, and an increase in the need for downtown city services. Increased traffic along Highway 183 results from travelers going to the international airport, now located southeast of the former Mueller airport. These congestion issues are important to the city of Austin's daily operations and as departments and facilities are located or reviewed the closure rate of Barton Springs Road and other major streets needs to be considered not only to its impact on traffic and the citizens of Austin, but also to staff functionality and overall city operations.

City of Austin as a Business

The City of Austin is unique as both a business organization and a city when its governmental structure, culture, history and size are looked at as a whole. With a 2010 census of 790,000 for the incorporated city (14th largest in the US) Austin is part of the 35th largest Metropolitan Statistical Area (MSA) with a population of 1,716,000. It is a big city in a medium sized MSA. (Austin would not show up on the far left chart if all 34 other MSA's of greater size were shown. The chart only includes the 25 largest incorporated cities.) The incorporated City of Austin composes 45 percent of the greater MSA. If you also include the Extraterritorial Jurisdiction (ETJ), the city is responsible for the care of a substantial portion of the region's population.

Another complexity to Austin's' ability to operate as a business is its at-large Council-Manager form of government. There are seven members on the Austin city council: one mayor and six council members. The entire council is elected at large by the voters of the city. Each member serves a staggered three-year term. The mayor and council appoint the city manager, who serves as the chief administrator of the city organization. The city's organization is composed of over 29 separate departments and subsidiaries, that in many other cities are represented by private companies and overseen by cities (e.g. Austin Energy, Austin Water Utility, Solid Waste Services.) With an annual budget approaching three billion dollars, the city continues to show the complexity of this "big city operating in a small town" culture.

POPULATION VERSUS METROPOLITAN STATISTICAL AREA (MSA)

Sorted by % of MSA

City	City Population 2010	MSA Population 2010	City Population as a % of MSA
El Paso	649,121	800,647	81%
San Antonio	1,327,407	2,142,508	62%
Jacksonville	821,784	1,345,596	61%
San Jose	945,942	1,836,911	51%
Memphis	646,889	1,315,100	49%
Indianapolis	820,445	1,756,241	47%
Austin	**790,390**	**1,716,289**	**46%**
New York	8,175,133	18,894 109	43%
Columbus	787,033	1,836,536	43%
San Diego	1,307,402	3,095,313	42%
Charlotte	731,424	1,758,038	42%
Nashville	601,222	1,589,934	38%
Houston	2,099,451	5,946,800	35%
Phoenix	1,445,632	4,192,887	34%
Los Angeles	3,792,621	12,828,837	30%
Chicago	2,695,598	9,461,105	28%
Philadelphia	1,526,006	5,965,343	26%
Denver	600,158	2,543,482	24%
Baltimore	620,961	2,710,489	23%
Dallas	1,197,816	6,371,773	19%
San Francisco	805,235	4,335,391	19%
Seattle	608,660	3,439,809	18%
Detroit	713,777	4,296,250	17%
Boston	617,594	4,552,402	14%
Fort Worth	741,206	6,371,773	12%
Washington	601,723	5,582,170	11%

Sorted by 2010 City Population

City	City Population 2010	MSA Population 2010	City Population as a % of MSA
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Sorted by 2010 MSA Population

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2010 Census.

Geopolitical, continued

One additional focus adds a layer of complexity to virtually all operation of Austin as a business: sustainability. Austin has worked hard to be the first in many areas of sustainability, and has its own Office of Sustainability. Austin Energy desires to become the most sustainable utility in the country. Austin is one of the first cities in the country to have a Zero Waste commitment. These along with numerous other initiatives are capped with the recent effort to create Sustainable Places Analytic Tool in partnership with IBM and others.

The Business of Real Estate and Facilities

The city is a significant player in both real estate and facilities as well as economic development based on its own portfolio of 250+ buildings and other tracks of land with an assumed value of over $500 million (based on city provided data). Currently much of the decision making of adding to the city's existing real estate and facilities inventory is determined by each individual department. The central real estate function is used primarily as an acquisition arm and inventory manager of leases and records.

In the decision making and messaging of real estate and facilities it will be vital for the city to insure the public sees the actions taken by the city from the standpoint of how the decision affects the various constituencies, needs and other influencers. It will be important that more than just the physical building and its location be considered but to take this additional information to the public, fully showing the reasons for (re)location.

With the large need of the city for real estate and facilities over the next 15 years, it is important to consider the location of the real estate and facilities department on the organization chart. If the real estate and facilities department is to properly operate on a strategic basis for both internal city clients (departments) with the best interest of the city as a whole as its goal, AND with outside agencies that may have strategic alignment with the city real estate and facilities goals, the placement on the organization chart become highly critical. Given the proper staffing, leadership, budget, authority and place in the overall organization the strategies of the real estate and facilities department will better support and enable the city's overall mission.

WORKPLACE, SPACE NEEDS ASSESSMENT

A Space Needs Assessment was issued to 27 department representatives in order to collect detailed information on current and projected head counts, support space requirements, existing and non-existing adjacencies, and also to answer a series of space related questions. The representatives were chosen by the department directors and were able to enter this information via a web based program. Once all information was collected, face to face meetings with department representatives were held in Austin where further questions were clarified. The findings from those meetings were then entered into the Space Needs Assessment and representatives were sent reports to confirm the final results of the study.

The information collected provided significant detail about the facilities that city's departments occupy, perception of the condition of buildings, future projections on space needs, and anticipated changes within city organizations.

Space Needs Assessment Assumptions

Several assumptions were made for the Space Needs Assessment, they are listed below.

- Some facilities were assigned a gross square footage to represent current size. This includes most Tier 1 facilities and buildings with unknown detailed information. Public Works supplied detailed information on space needs (interior and exterior) specific to many of the department's facilities. Many of the gross square footages allocated to Public Works in the Space Needs Assessment were retrieved from that information.
- Austin Energy recently underwent a study with RSP i_SPACE to evaluate their future space needs. Much of the data reflected in the Space Needs Assessment for Austin Energy was pulled from that study.
- Facilities that are most likely to be vacated over the next 15 years (such as those made necessary by the Waller Creek Project) were given a gross square footage in the support space portion of the space need assessment. That gross square footage allocation is terminated at the approximate time the facility is to expected to be vacated.
- New facilities that will be most likely to come to life in the next 15 years (such as those that are either replacement facilities made necessary by the Waller Creek Project or are currently under construction) were given a gross square footage in the support space portion of the space needs assessment. The square footage is first allocated during the approximate time that the building would be created.
- EMS and Fire provided prototypical sizes for their future stations which were used to anticipate future staffing and total square footages for those departments.
- Space needs are calculated using a 45 percent circulation factor and a 15 percent building factor for office space. This is a budgetary number which may vary from building to building due to floor plan efficiencies for workspace layout.
- Accuracy of the Space Needs Assessment information was heavily reliant on department representative accuracy. Confirmations were received on reported information wherever possible.
- Square footage of many Tier 3 facilities was programmed based on industries standards and reported head count information. Projections after 2011 are based on 2026 information.

Space Needs Assessment: Information Gathered

Information from the Space Needs Assessment has been analyzed both at a departmental level and at a building level. An analysis at the department level gives insight into specific projected growth, both by staff and by space required. The city is currently projecting a 23 percent headcount growth over the next 15 years, 1.5 percent annually. Based on City of Austin Approved Personnel Budget information, the average historical growth of Austin staff is 1.1 percent over the past 12 years.

Annual City Staff Growth Rate

Projected: 1.5%

Historical: 1.1%

City Staff Retirement

33% staff eligible for retirement within 10 years

DEPARTMENTAL HEADCOUNT GROWTH 2011-2026

Department	2011	2026 (actual headcount projections according to space needs assessment)	% Change	2026 (note: headcount projection calculated per historic growth rate)
Austin Energy	1,423	1,742	22%	1,677
Austin Transportation	159	273	72%	187
Austin Water Utility	1,030	1,285	25%	1,214
Code Compliance	69	78	13%	81
Communication & Technology Management	340	440	29%	401
Contract Management	44	56	27%	52
Economic Growth & Redevelopment	51	55	8%	60
Emergency Medical Services	634	975	54%	747
Financial Services	312	374	20%	368
Fire	1,087	1,330	22%	1,281
Fleet	199	306	54%	234
Health and Human Services	428	541	26%	504
Human Resources	105	122	16%	124
Labor Relations	7	9	29%	8
Law	97	114	18%	114
Library	375	537	43%	442
Municipal Court	196	290	48%	231
Neighborhood Housing & Community Development	53	53	0%	62
Parks & Recreation	346	424	23%	408
Planning & Development	314	324	3%	370
Police	2,368	3,081	30%	2,790
Public Works	573	769	34%	675
Office of Real Estate	37	40	8%	44
Small Business & Minority Resource	27	31	15%	32
Solid Waste Services	405	530	31%	477
Sustainability	15	16	7%	18
Watershed Protection	317	422	33%	374
Total	**11,011**	**14,217**	**23%**	**12,975**

BUILDINGS IDENTIFIED AS TIER 3 WORKPLACE FACILITIES

Building Name	Address	Current Gross Square Footage	15 year Headcount Growth Projection***
Aquatics Administration Facility*	401 Deep Eddy	10,058	-100%
Austin Police Patrol Building*	E. 8th Street	20,255	-100%
Building Services Headquarters/EMS Demand	411 Chicon Street	38,088	30%
City Hall	301 W. 2nd Street	115,000	11%
Glen Bell Service Center	3907 S. Industrial Drive	70,000	27%
Learning & Research Center	2800 Spirit of Texas Drive	21,164	0%
Municipal Courts*	700 E. 7th Street	40,000	-100%
One Texas Center	505 Barton Springs Road	224,377	18%
PARD Annex Building	919 W. 28th ½ Street	11,700	-30%
PARD Headquarters	200 S. Lamar	12,594	0%
Police Headquarters*	715 E. 8th Street	104,425	-100%
Purchasing**	2001 E. 5th Street	9,600	-100%
Rebekah Baines Johnson (RBJ) Center	15 Waller Street	60,355	7%
Rutherford Lane Campus (RLC)	1520 Rutherford Lane	276,141	27%
Service Center 05	714 E. 8th Street	12,936	48%
Summit Hill Water Quality Lab	14050 Summit Drive	8,925	78%
Technicenter	4201 Ed Bluestein Boulevard	103,800	31%
Treasury	700 Lavaca Street	3,894	0%
Waller Creek Center	625 E. 10th Street	130,000	34%

*It was reported that staff would likely be vacating these facilities between 2011-2016
**It was reported that staff would likely be vacating these facilities between 2016-2021
***Headcount growth does not equally relate to % growth in square footage

Space Needs Assessment: Tier 3 Building Analysis

Buildings were classified as either Tier 1 or Tier 3 facilities, in which Tier 3 facilities were identified as requiring more in-depth study because of occupancy, anticipated upcoming changes, etc. Twenty buildings were as identified as Tier 3 facilities for the Workplace portion of the Strategic Facilities and Logistics Roadmap. Unlike Tier 1 facilities in which RSP i_SPACE collected detailed information but assumed no future square footage increases, Tier 3 facilities were evaluated based on the future projections of the departments that occupy them. Common spaces (such as conference rooms, work rooms, restrooms, etc.) were allocated to facilities based on projected headcounts and internal/external benchmarking. Some Tier 3 facilities have already undergone recent in-depth programming efforts. In those cases, the detailed program number was used to cover all future space needs and a further investigation of specific departmental needs was not undertaken.

Looking at the anticipated headcount growth projections as reported by the various departments within each Tier 3 Facility, it is apparent that many facilities will need to accommodate a large increase in staff over the next 15 years. While staff increases do not directly tell us a percentage of increase in space required, they do inform that additional or modified work space, support space, and common space will need to be provided in the future. Additionally, buildings need to be right-sized. An increase in size of 10 percent does not necessarily translate to the ability to add 10 percent more staff. The purpose of the Tier 3 assessment is to reevaluate the space need. It is important to keep in mind that as the city staff grows, the facility accommodations need to keep pace while also bearing in mind how employees work best.

Space Needs Assessment: Potential Facility Changes
Many departments divulged future dreams and fairly developed future plans for their facilities. The following list details potential future initiatives that RSP i_SPACE learned from the departments during the Space Needs Assessment. (It should be noted that the following is not a list of recommendations but a list of potential facility changes based upon anecdotal evidence.)

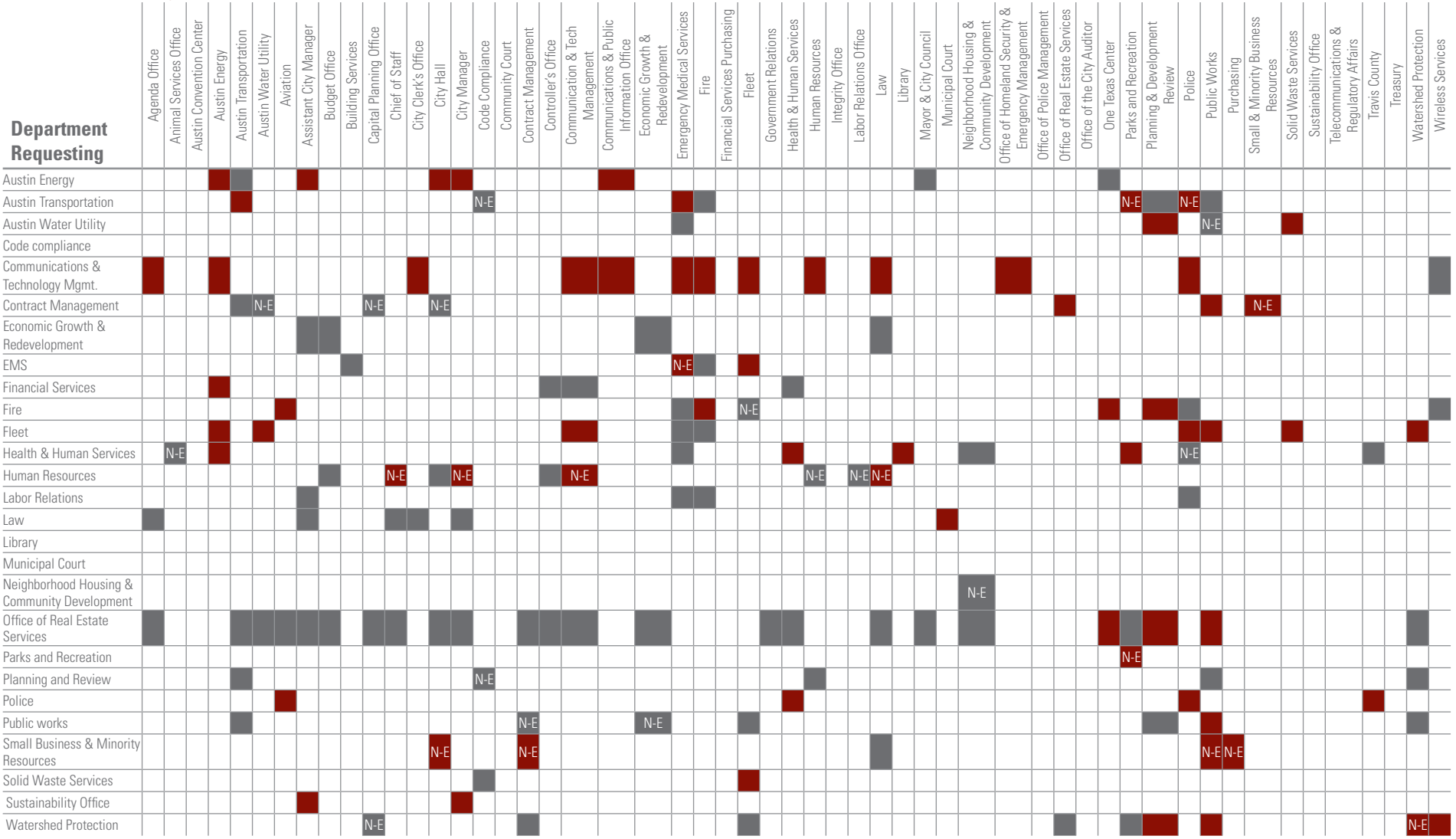
- **Future Police Headquarters** A new headquarters has been identified as a critical need of the Police Department, partially a result of the Waller Creek project, to meet the current and future needs of the department.
- **10108 FM 812** Solid Waste Services has plans for an Eco-Industrial Park on the front 80 acres of the current Landfill Office.
- **10414 McKalla Place** Public Works is looking at this city-owned land as a site for a future North District Service Center.
- **1416 Montopolis Drive** The Montopolis Neighborhood Center was identified by the Parks and Recreation Department as requiring approximately double the current gross square footage.
- **1501 Toomey Road** Austin Transportation anticipates vacating this facility in the next ten years to move to a consolidated future facility at Harold Court.
- **400 Jessie Street** Austin Transportation anticipates vacating this facility in the next ten years to move to a consolidated future facility at Harold Court.
- **4201 Ed Bluestein Boulevard** Small & Minority Business Resources would like to relocate to a downtown location near public transportation.
- **625 E. 10th Street** The 7,000 square foot data center at Waller Creek Center (AWU Headquarters) requires a new location.
- **6301 Harold Court** Austin Transportation and Public Works hope to add shared facilities to Harold Court Campus.
- **Future APD Substations** The Police Department has identified four future substations being required by the department and has created program requirements for all facilities.
  - CW Substation
  - NE Substation
  - NW Substation
  - SW Substation
- **Future Austin Energy Call Cente**r In accordance with Austin Energy's Facilities Master Plan, the department hopes to add a facility to their portfolio in the next ten years that is specific to the call center function of their business.
- **Future Austin Energy Facility** Austin Energy has identified the need for a new facility. They intend to still maintain a presence in Town Lake Center when this new facility has been realized.
- **Future DACC** Municipal Court has noted that the current DACC is significantly undersized and in need of replacement.
- **Future EMS Stations** EMS anticipates adding a total of up to 22 stations to their portfolio by 2026.
- **Future Fire Stations** The Fire Department recognizes that they will add approximately ten stations by 2026.
- **Future Fleet Campus** The Fleet Department would like to establish a centrally located consolidated facility that includes many Fleet functions. Satellite facilities would still exist and would focus on departmental specialty work while still catering to general repairs.
- **Future HHSD Consolidated Warehouse** The Health and Human Services Department would like to have a consolidated warehouse for storage and supplies that are currently spread across the city.
- **Future Mounted Patrol** Significant acreage was purchased at 11500 McAngus in anticipation of a new Mounted Patrol facility being built here.
- **Future Municipal Court Substations** Municipal Court expects to add four substations by 2026.
- **Future Municipal Courthouse** Municipal Court recognizes a strong need to replace this facility with a new Municipal Courthouse that would more properly accommodate their needs. A new Municipal Court location has been programmed at approximately 75,000 square foot to replace the current E. 7th Street location. The Home Depot Site has been identified as a potential replacement site, however, the site cannot fully accommodate the program.

- **The Fire Department** would like to establish a downtown Headquarters.
- **Citywide Training Facilities** Many departments noted long drive times to training facilities and/or lack of availability of training space throughout the city.
- **Solid Waste Services** Recently underwent a Space Feasibility Study that has led them to their decision to add additional North Service Center where Austin Water Utility and Fleet could also be housed. The study also led to the discovery that an additional Home Hazardous Waste facility is required in the North.
- **Watershed Protection** currently operates out of Central, North, and South locations (four facilities total). They would prefer one central location with major highway access, a Northern Satellite, and the new Waller Creek facility.

Space Needs Assessment: Adjacencies

The importance of interdepartmental connectivity was largely revealed in the adjacencies collected from the Space Needs Assessment. Building representatives were asked to list critical and helpful adjacencies, and to report on whether or not they currently exist. The results of this part of the study shows just how much various city departments rely on one another in order to successfully do their job. The following pages graphically demonstrate the adjacency web that exist throughout the city, they also point out the critical and helpful ties that are not currently being met. It should be noted that all adjacency data was collected from the Space Needs Assessment building information that was entered by department representatives. Some adjacencies point out ties that are specific to certain buildings and the sub-departments that reside within them.

WORKPLACE, Adjacencies



Critical and existing

N-E Critical, not existing

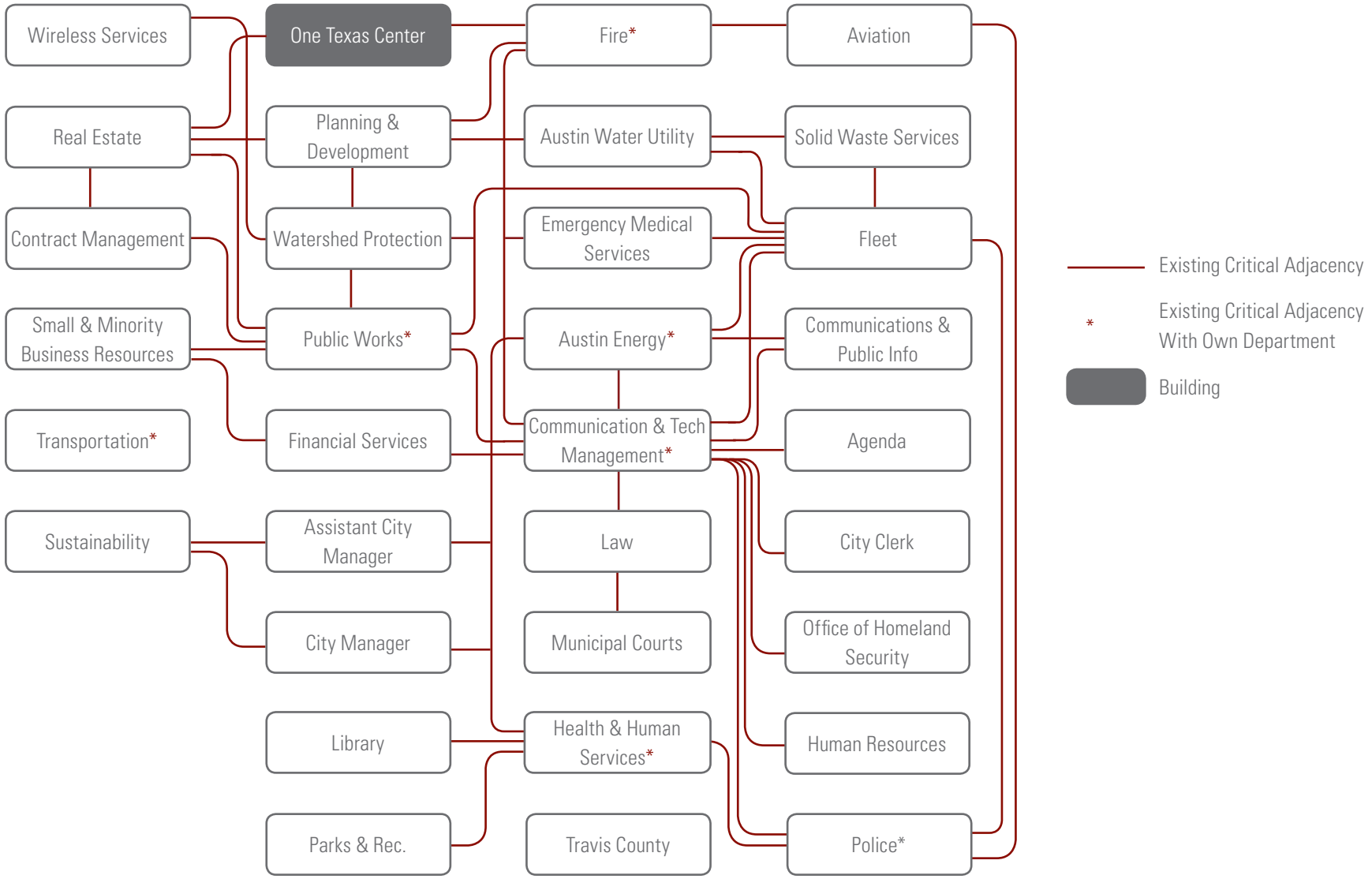
Helpful and existing

N-E Helpful, not existing

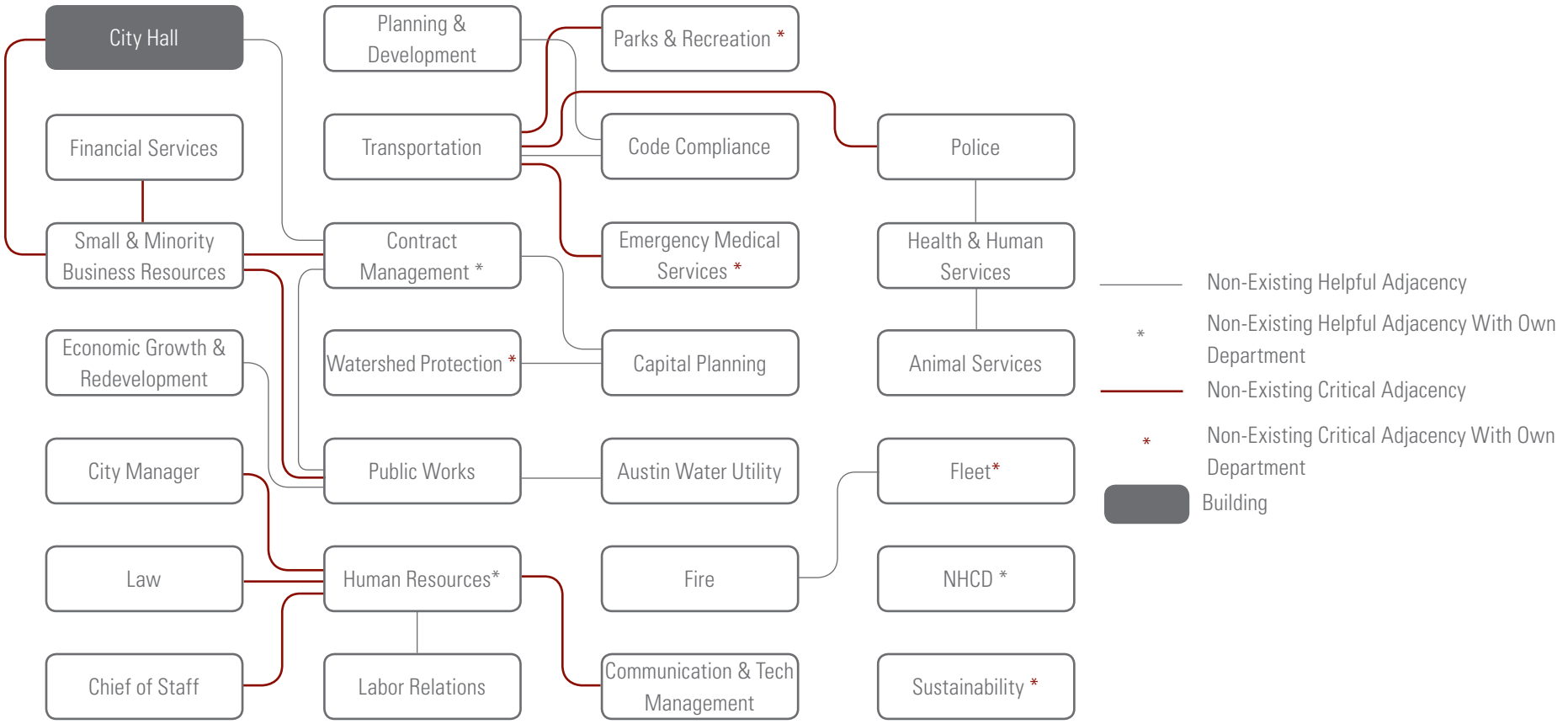
The 27 departments participating in the Space Needs Assessment were asked to list critical and helpful adjacencies that currently do or do not exist at their facilities. The list of adjacent departments that representatives were allowed to choose from expanded beyond the 27 groups involved with this study.

Occasionally adjacencies to representative's own department were listed, indicating the value of departmental consolidation.

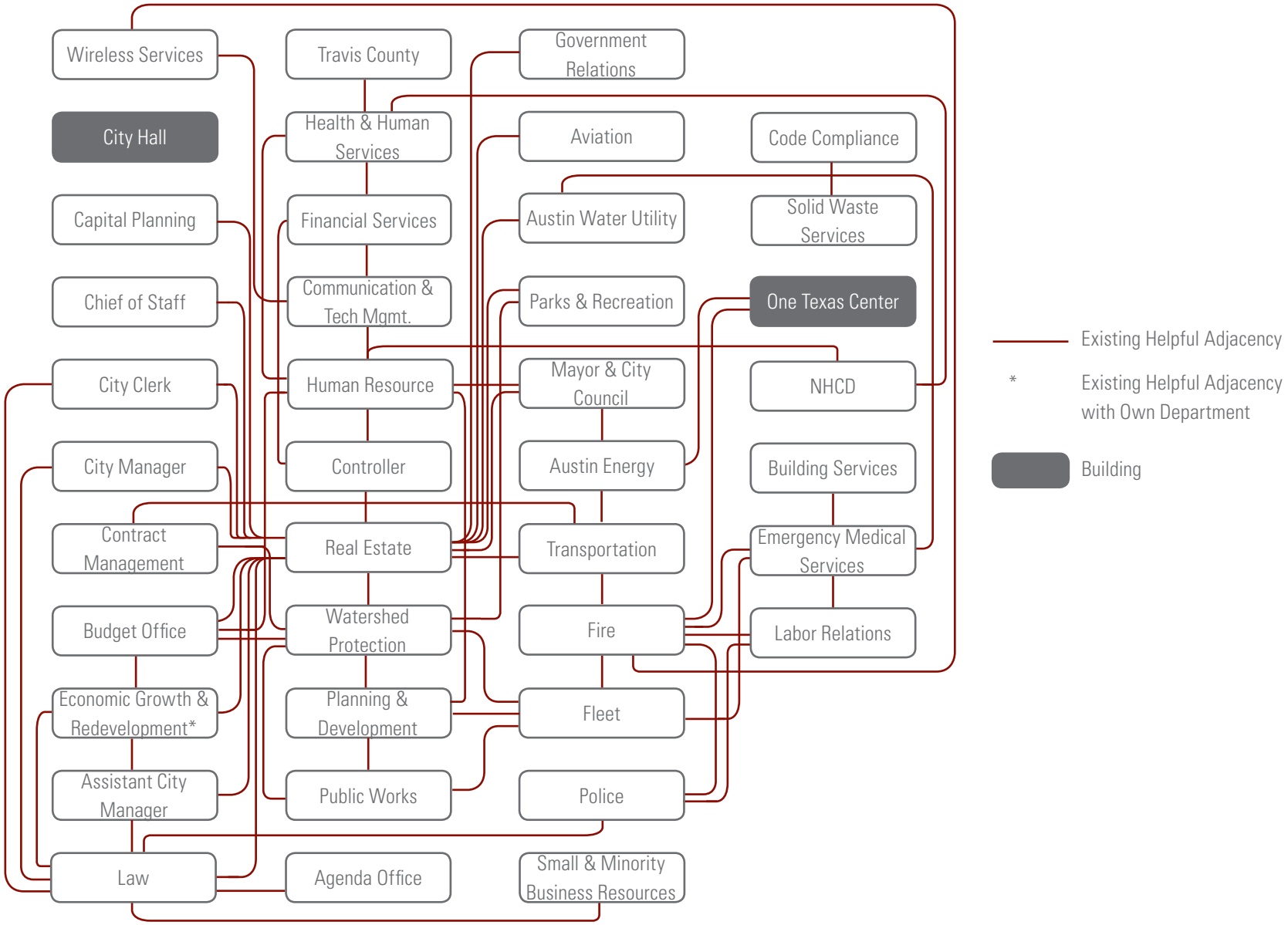
WORKPLACE, Existing Critical Adjacencies



WORKPLACE, Non-existing Critical Adjacencies



WORKPLACE, Existing Helpful Adjacencies



WORKPLACE, WORKPLACE SATISFACTION SURVEY

Process for Distribution

A Workplace Satisfaction Survey was issued to gain employee perspective on the current office-scape across the city's real estate portfolio. The 46-question, web-based survey was designed to extract response from a large group of respondents.

The first section of the survey was composed of a series of profiling questions that allowed for further investigation by generation, department and by facility. The remaining questions in the survey pertained to current employee attitude towards their work environment.

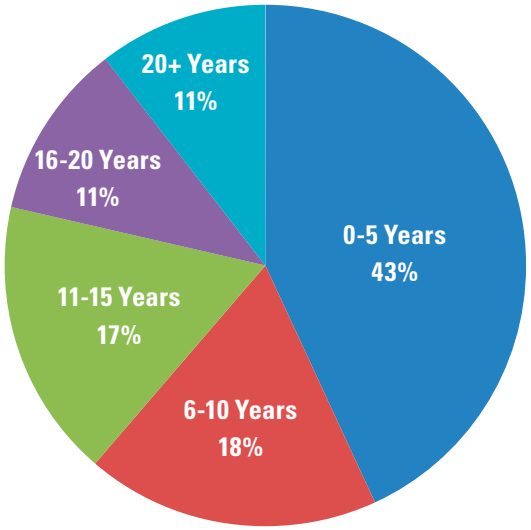
The information gathered from the Workplace Satisfaction Survey enhanced understanding of both facility-specific issues and workforce concerns. It clarifies what the city values in facilities at the employee level and where opportunities for improvement exist.

The survey reached 16 departments holding approximately 4,389 office employees. Primarily field service staff were not considered a part of this exercise due to limited access to e-mail. Information was collected from this group in other parts of the Strategic Facilities and Logistics Roadmap study. The response rate from the departments who received the survey is 23 percent.

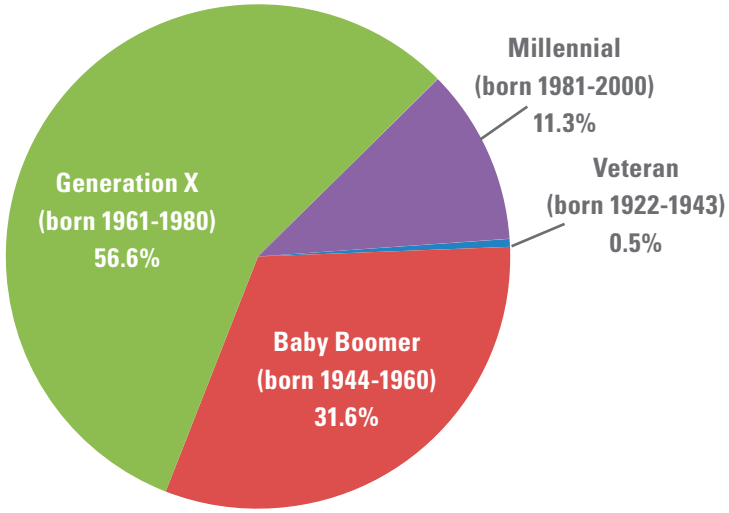
Respondent Profile

The dominant generation to reply to the Workplace Satisfaction Survey, was Generation X. Generation X was followed by the Baby Boomer Generation, Millennials, and finally the Veteran Generation. (For a general description of the characteristics of each generation, see page 43.) The heavy presence of Generation X across the city's employee makeup, coupled with the fact that 43 percent of survey respondents have been with the organization for 0-5 years, suggests that staff demographics are shifting.

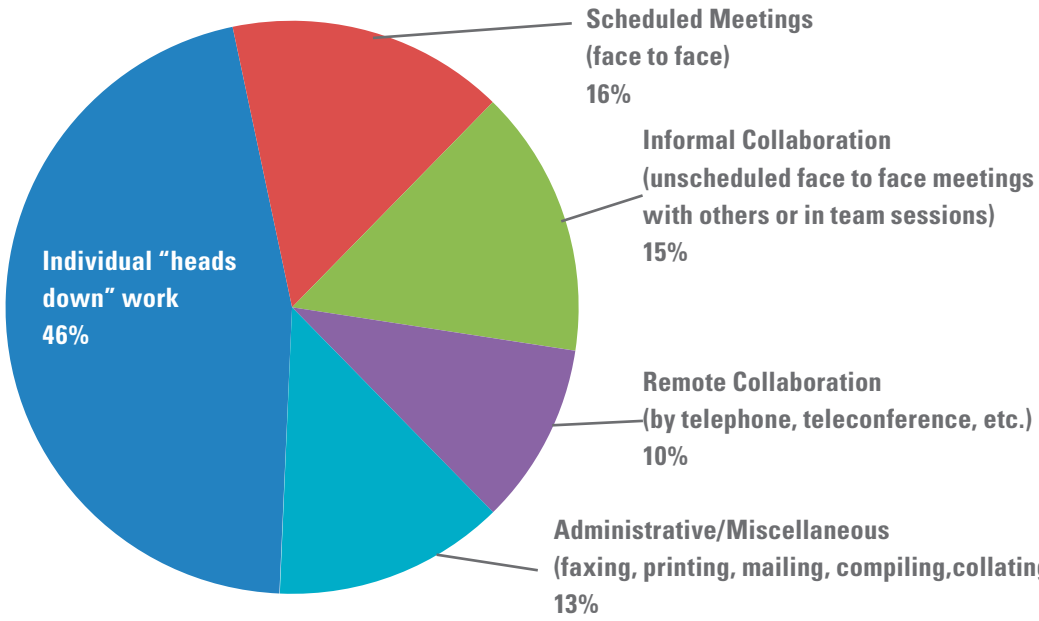
NUMBER OF YEARS WITH YOUR ORGANIZATION



SELECT THE GENERATION OF WHICH YOU ARE A PART



WORK ROLES - TIME SPENT IN A TYPICAL WEEK



64 percent of respondents feel their workplace supports the way they work today and is flexible to support the work of tomorrow.

General Observations

Many employee values reflected in the Workplace Satisfaction Survey responses align with national trends. We believe the workplace is primarily being influenced by three things:

Recent events – The economy has caused many organizations to look for ways to tighten metrics while still attracting and retaining top talent. This has caused many to question business as usual. Providing more and better service with less is a challenge facing many organizations.

Client awareness – Employees are more aware of how and where we work. Many companies are noticing low utilization rates for certain space types and questioning whether they are providing the optimum environment for their employees. The survey reinforces this with:

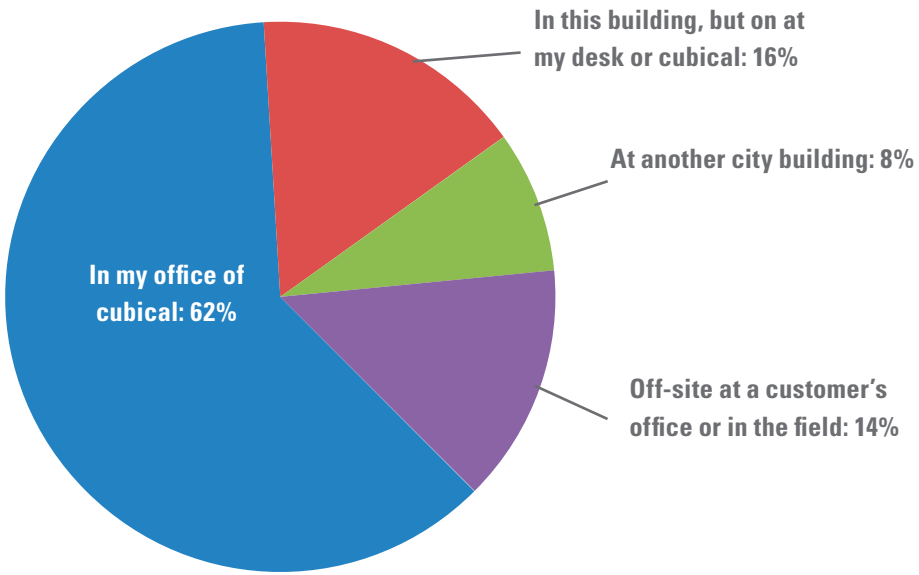
- City employees spend 42 percent of their day in collaboration and 46 percent doing heads down work.
- Mobile work is being used as an alternative; one out of ten employees work at home at least one day a week. Furthermore, access to technology was reported as the second most important issue when evaluating the workplace.

Shifting Values – Employee's want more than a punch-clock job. "You no longer live to work, you work to live," people recognize they are at work much of their time and want it to be a rewarding experience within a flexible, engaged work environment. Fulfillment and contribution have emerged as higher priorities when evaluating employment. The results of this survey demonstrate this in a few ways:

- Workplace flexibility, aligning values, and encouragement of innovation were listed as the top three determining factors in considering a job move, while entitlements ranked near the bottom.
- An engaging workplace was the third most valued attribute in the workplace.

Respondents were asked to detail how and where they spend their time in an average day doing a variety of tasks, and the collected responses speak volumes to the amount of collaborative work happening inside city walls. It was reported that on average city employees spend 42 percent in some form of collaboration (scheduled or unscheduled).

EMPLOYEE WORKPLACE LOCATION AND TIME SPENT



This discovery only grows in significant when viewed in conjunction with where staff report to spend the majority of their time. The Workplace Satisfaction Survey suggests that staff are away from their desk 38 percent of their day.

These facts exemplify how the city would benefit from further investigation of how space is utilized and an evaluation of current space allocation. Respondents consistently acknowledged the lack of meeting space and communicated the need for focus space throughout the Workplace Satisfaction Survey. Access to space for private and confidential work was also the only question in the survey to receive a satisfaction rating below three out of five.

Further findings emphasizing the need to examine current space allocation include distribution of private offices and workstations. Currently, nearly one third of city staff sit in a private office, and one out of ten staff report to have more than one workspace dedicated to them. Many organizations are reevaluating office eligibility requirements resulting in private offices comprising 10-15 percent of the workspace. Changing these current allocations could help provide more spaces that support how work is being done, and/or reduce the overall footprint of the city. Another opportunity to provide the correct work environment for city employees involves embracing flexible work programs. Allowing staff to work when and where they are most productive offers many benefits in addition to space savings.

It is important to note that a successful change to the work environment requires senior level support and a development process. A process that engages employees at all levels of the organization and is led by a cross-disciplinary team to insure holistic solutions that are suitable to the city's culture and have the flexibility to support the diverse roles the city fulfills.

Sections of the survey asked respondents to provide scores for current and desired performance in a variety of areas. The difference between the scores is referred to as the "gap." Closing gaps between current satisfaction and level of importance as shown in survey results will help the city create a work environment that allows staff to more effectively perform their jobs. Providing spaces that support the way employees are working will also increase overall functionality of the organization while attaining greater employee satisfaction.

Top Gaps

1. "I have access to spaces, when needed, that are conducive to personal privacy and/or confidential work." Gap 1.07
2. "In general, I am satisfied with the temperature of my office environment." Gap 1.03
3. "I can find appropriate spaces in the office where I can do my "heads down" work." Gap 0.93
4. "We have adequate access to daylight in the areas of our office we most frequently occupy." Gap 0.85
5. "My work surface and keyboard can be adjusted to accommodate my ergonomic needs." Gap 0.74

Workplace, Workplace Satisfaction Survey, continued

One of the benefits of space reallocation include increasing sustainable practices, a concept revealed in the Workplace Satisfaction Survey as a top priority. The importance of this topic across city staff was demonstrated in a multi-layered fashion:

- Access to natural light (day lighting) ranked in the top 5 (out of 16) most important issues when evaluating the work environment. It also was fourth greatest gap between current employee satisfaction and desired performance.
- Thermal comfort was listed as the second greatest area for improvement when evaluating current and desired performance.
- Access to public transportation ranked sixth out of 11 in preferred amenities for the city work environment.
- Embracing flexible work programs could also significantly decrease the city's overall carbon footprint and operational costs. According to the Workplace Satisfaction Survey, almost half of the respondents report that they spend 30 minutes or more commuting to work. Flexible work, however, should not be confused with telework in a flexible work or mobile work environment employees must select the environment most appropriate for the work be accomplished.

91 percent of the respondents use personal vehicles as their primary mode of transportation to work.

In addition to reducing employee drive time, the expansion of a mobile work program could result in improvements to employee satisfaction and retention. When asked to rate the top qualities that would influence a decision to move to or remain with an organization, respondents of the survey rated workplace flexibility as the most important factor.

Top qualities influencing a decision to move to or remain within an organization. (According to City of Austin employees)

1. Workplace flexibility
2. Organizational values align with my own
3. Innovation is encouraged and rewarded
4. The culture and values are reflected in how and where we work
5. The environment and culture support learning
6. Access to leadership
7. Entitlements
8. Quality and appearance of physical work environment

Noting these influencers and making adjustments to better accommodate employee desires could help maintain the city's knowledgeable seasoned staff and also help attract new top talent.

The Workplace Satisfaction Survey continued to reveal other attributes and desires of the City of Austin staff through a series of questions that asked respondents to rate their most desired amenities.

Many of these attributes point to the importance of health and well being to city staff. Fitness centers for example were ranked as the most desired amenity. Thirty percent of respondents reported facilities do not support employee health and well being.

Most Desired Amenities (According to City of Austin employees)

1. Fitness center
2. Cafeteria
3. Alternative workspaces
4. Coffee shop
5. Locker rooms
6. Entitlements
7. Quality and appearance of physical work environment

Currently, 33 percent of the city's workforce will be eligible for retirement in the next ten years (19 percent in the next five years). According to the results of the Space Needs Assessment, the city is also projecting 23 percent headcount growth in the next 15 years. No doubt, the workforce will see significant shifting. What should be verified is whether the sample of respondents represent the current age demographic of the city. This information was requested, but was not available at the time of this report. However, the survey respondent pool suggests that demographic shifting has already begun.

Forty three percent of the respondents have been with the city less than five years and 68 percent were from either the Generation X or Millennial generations.

DEPARTMENTAL RETIREMENT ELIGIBILITY

Department	Total Current Staff	Current % Eligible for Retirement	5 Year % Eligible for Retirement	10 Year % Eligible for Retirement
Austin Energy	1,423	15%	34%	55%
Austin Transportation	159	9%	21%	40%
Austin Water Utility	1,030	14%	32%	50%
Code Compliance	69	9%	36%	55%
Communication Technology Management	340	8%	20%	39%
Contract Management	44	11%	36%	73%
Economic Growth & Redevelopment	51	12%	27%	47%
Emergency Medical Services	634	2%	6%	16%
Financial Services	312	13%	32%	58%
Fire	1,087	1%	2%	3%
Fleet	199	14%	30%	51%
Health & Human Services	428	12%	30%	48%
Human Resources	105	10%	33%	53%
Labor Relations	7	unavailable	unavailable	unavailable
Law	97	9%	22%	35%
Library	375	16%	35%	51%
Municipal Court	196	8%	21%	34%
Neighborhood Housing & Community Development	53	9%	32%	53%
Parks & Recreation	346	15%	37%	74%
Planning & Development Review	314	9%	29%	49%
Police	2,368	2%	4%	8%
Public Works	573	6%	18%	32%
Real Estate	37	unavailable	unavailable	unavailable
Small & Minority Business Resources	27	22%	41%	59%
Solid Waste Services	405	6%	19%	36%
Sustainability	15	unavailable	unavailable	unavailable
Watershed Protection	317	8%	20%	39%
Citywide Total	**11,011**	**8%**	**19%**	**33%**

Workplace, Workplace Satisfaction Survey, continued

While each generation has it's commonly accepted differences, consistency in values and attitudes were captured across generations in the Workplace Satisfaction Survey. This is especially true between the Baby Boomer and Generation X groups.

- 66 percent of both groups reported that the city's vision and values were reflected in their work environment.
- 63 percent felt that the work environment supported work today and tomorrow.

The Millennial generation tended to provide more favorable ratings, averaging approximately five to ten percent higher than other generations on most questions. One of the stand out issues for the Millennial's was access to natural light. They rated the current satisfaction of daylighting with a below average score and gave it one of the highest importance ratings. The gap in this category was almost double that of the other generations.

GENERATIONS AT A GLANCE

	The Veterans	The Baby Boomers	Generation Xers	Millennials
Birth Years	**1922-1943**	**1943-1960**	**1960-1980**	**1980-2000**
Core Values	Hard working/Good work ethic	Optimism	Diversity	Optimism
	Financially conservative	Team orientation	Thinking globally	Confidence
	Loyal	Involvement	Comfortable with change	Achievement
	Respect for authority	Health and wellness	Technology savvy	Flexibility
	Duty before pleasure	Flexibility	Informality	Individuality but maintaining a group mentality
	No complaining	Personal growth	Independent	Diversity
Motivators	A personal, human touch	Public recognition	Balance	Working within a team
	Face to face connection	Reward for long hours and extra efforts	Measure performance based on results	Having a strong leader/ mentor
	Acknowledgement of experience and expertise	Avoiding retirement	Clear, specific expectations and goals	Networking
	Respect	Range of new experiences	Life-enhancing, practical perks	Range of new experiences
	Expect little pampering	Dedicated to employer	Compensation	Work life balance
Office-scape expectations	Distance between boss and workers	Office design dominated by boomer world view	Engaging workplace	Engaging Workplace
	Physical comfort	Quality meeting room space	Face to face interaction	A nurturing environment
		Formal meetings	Latest technology	Team space

Another interesting commonality that bridged the generations was how they reported spending their time. The time spent in individual work, scheduled meetings, collaboration, and administrative work approximated the same percentages in each group.

WORKPLACE SATISFACTION SURVEY: "ON THE AVERAGE (DURING A TYPICAL WEEK), WHAT PERCENT OF YOUR TIME IS SPENT PERFORMING THE FOLLOWING 5 ACTIVITIES?"

	Veterans Age 68-89	Baby Boomer Age 51-67	Generation X Age 31-50	Millennial Age 11-30
Individual Work	43%	48%	46%	49%
Scheduled Meetings	22%	16%	16%	14%
Informal Collaboration	15%	14%	16%	16%
Remote Collaboration	15%	11%	10%	9%
Admin/Miscellaneous	10%	12%	13%	16%

Remaining consistent with the Workplace Satisfaction Survey results over all, the top amenity for most generations was a fitness center, followed closely by a cafeteria, and alternative workspaces.

WORKPLACE SATISFACTION SURVEY: "PRIORITIZE AMENITIES YOU WOULD LIKE TO SEE IN YOUR WORKPLACE."

	Veterans	Baby Boomer	Generation X	Millennial
First Preference	Cafeteria/ Facility help desk	**Fitness center**	**Fitness center**	**Fitness center**
Second Preference	Alternative workspaces/ locker room	Cafeteria	Cafeteria	Cafeteria
Third Preference	Coffee shop/ **Fitness center**	Alternative workspaces	Locker rooms	Alternative workspaces

The importance of various workplace attributes maintained similar ratings across generational divides as well. Although the results of this survey do not follow the broader trends, we are observed a diminishing value of visual privacy, as the engaging workplace rises in value with subsequent generations.

WORKPLACE SATISFACTION SURVEY: "PRIORITIZE WHICH OF THE SIX WORKPLACE ATTRIBUTES LISTED ARE MOST AND LEAST IMPORTANT TO YOU."

	Veterans	Baby Boomer	Generation X	Millennial
First Preference	Acoustical privacy	Acoustical privacy	Acoustical privacy	Safety & security
Second Preference	Safety & security	Safety & security	Safety & security	**Engaging workplace**
Third Preference	Visual privacy	Visual privacy	**Engaging workplace**	Acoustical privacy
Fourth Preference	Meeting spaces (scheduled)	**Engaging workplace**	Visual privacy	Visual privacy
Fifth Preference	**Engaging workplace**	Informal collaborative spaces	Informal collaborative spaces	Informal collaborative spaces
Sixth Preference	Informal collaborative spaces	Meeting spaces (scheduled)	Meeting spaces (scheduled)	Meeting spaces (scheduled)

Workplace, Workplace Satisfaction Survey, continued

When asked to choose the top three qualities that would influence a decision to move to or remain within an organization, it is interesting to note that the top three priorities were the same in the Baby Boomer, Generation X, and Millennial generations. The Veterans answers varied slightly and also showed ties for first and third priorities. The high rating of workplace flexibility further reemphasizes the importance of evaluating current space allocations and work programs across city departments.

Choose the top three qualities, in order of importance that would most influence your decision to move to or remain within an organization

Survey options included:

- Workplace flexibility
- Organization's values align with my own
- Culture and values and reflected in how and where we work
- Quality and appearance of the physical work environment
- Access to leadership
- Entitlements
- Environment and culture support learning
- Innovation is encouraged and rewarded

WORKPLACE SATISFACTION SURVEY: RETENTION QUALITIES

	Veterans	Baby Boomer	Generation X	Millennial
First Priority	**Workplace flexibility/** Culture and values are reflected in how and where we work	Organization's values align with my own	**Workplace flexibility**	**Workplace flexibility**
Second Priority	Access to leadership	**Workplace flexibility**	Organization's values align with my own	Innovation is encouraged and rewarded
Third Priority	Quality and appearance of the physical work environment/innovation is encouraged and rewarded	Innovation is encouraged and rewarded	Innovation is encouraged and rewarded	Organization's values align with my own

ONE TEXAS CENTER: A CASE STUDY

There are many components that go into evaluating the workplace environment for City of Austin employees. A Gap Analysis Survey captured executive feedback, a Workplace Satisfaction Survey gauged overall employee perspective,and a Space Needs Assessment explained the space and functional requirements of many facilities. All three of these efforts will work together to help make long term decisions in Phase III of the Strategic Facilities and Logistics Roadmap Project.

Of the 1007 respondents to take the Workplace Satisfaction the survey, 176 reside in one of the City of Austin's most heavily used facilities—One Texas Center. One Texas Center is a 10 story facility that accommodates many critical department adjacencies in a desirable location near City Hall and Downtown. Although adjacency benefits were readily recognized during the Executive Interviews, the RSP i_SPACE team also heard reports of overcrowding and compromised functionality. In order to provide further clarification we reviewed data from multiple sources including: extracted responses from the occupants residing in One Texas Center from the Workplace Satisfaction Survey, data collected during the Space Needs Assessment and benchmark data from other RSP i_SPACE clients.

The culmination of this research suggests that One Texas Center does not support the way it's occupants work, and may work in the future. It is a facility that is currently unable to house the staff required to meet critical adjacencies. Some departments such as Public Works have been splintered into multiple facilities and have reported negative impacts to productivity as a result. Over the next 15 years, the projected population for One Texas Center will expand by 18 percent. The facility as designed will be unable to meet this need. Some of the top concerns collected from occupants of this facility during the Workplace Satisfaction survey include:

Space Plan 57 percent report that the accessibility, overall flow and organization of workspaces works well for city employees at One Texas Center.

- *Lack of Appropriate Work Space*- The ability to find a place to work effectively, to do private work, and to collaborate stand strong amongst the largest gaps from the survey.
- 13 percent of respondents agree that their personal workspace does not provide a place to perform their job effectively.

Meeting Space 20 percent of respondents at One Texas Center spend upwards of 30 minutes a week looking for a place to meet or collaborate.

- The overall Workplace Satisfaction Survey results suggest that 11 percent of respondents spend upwards of 30 minutes per week looking for a place to meet. This can be translated into labor costs associated with time loss.
- Three of the top gaps relate to availability of meeting spaces.

HOW MUCH TIME TO DO YOU SPEND ON AN AVERAGE WEEK LOOKING FOR A PLACE TO COLLABORATE/MEET?

ONE TEXAS CENTER - SATISFACTION VERSUS CURRENT LEVEL OF PERFORMANCE GAP

Questions	Gap
I have access to spaces, when needed, that are conducive to personal privacy and/or confidential work.	1.69
I have access to meeting spaces that are readily reservable and adequately provisioned in terms of size and technology.	1.20
I can find appropriate spaces in the office where I can do my "heads down" work (concentrated work, analysis, working on PC, reading/sending e-mails, etc.).	1.12
We have adequate access to daylight in the areas of our office we most frequently occupy.	1.10
I can find appropriate spaces within the office where I can collaborate informally with another co-worker or as a team.	.96
In general, I am satisfied with the temperature of my office environment.	.94
I can adjust my chair to be supportive and comfortable.	.83
Most of the time I can find a place somewhere in our workplace where I can work effectively.	.83
My work surface and keyboard can be adjusted to accommodate my ergonomic needs.	.82
I have the ability to meet with another co-worker in my workspace (office or cubicle).	.79

One Texas Center Top Gaps from the Workplace Satisfaction Survey

Respondents were asked to rate the current satisfaction and level of importance on a wide range of topics. The difference between satisfaction and importance is the gap that needs to be closed in order to achieve optimal employee satisfaction.

Building upon the findings from the Workplace Satisfaction survey is information uncovered from the Space Needs Assessment. Based on RSP i_SPACE client benchmarking, a typical office environment would provide approximately 190-250 square feet per occupant. One Texas Center is coming in fairly close to this mark allocating approximately 233 square feet per occupant. However, the levels of discontent with meeting space and space plan shown in the Workplace Satisfaction Survey suggest this current allocation is not providing the correct spaces for city staff to work effectively.

Informal Enclaves (Seats 2-3)	Ratio Per Person
Benchmark	1:25
One Texas Center	**0:961**

Medium Conference Room (Seats 10-16)	Ratio Per Person
Benchmark	1:50
One Texas Center	**1:40**

Using information collected from the Space Needs Assessment allows us to see how current conferencing allocations compare to other organizations. One Texas Center is close in appropriate allocation of medium and large conference rooms, but is far behind in providing informal enclaves and small conference Rooms.

The need for increased meeting space is further backed up by how residents of One Texas Center reported spending their time. On average, staff at One Texas spend 47 percent of the week doing individual work, 43 percent of the week in collaboration with others (scheduled or unscheduled), and 11 percent completing administrative type tasks. Underallocating collaborative meeting space to a population that heavily relies on meeting can cause problems in the office environment. Acoustical privacy, productivity, and overall staff satisfaction are all areas that are affected by not providing the spaces that best support the work that is being done.

Small Conference Room (Seats 4)	Ratio Per Person
Benchmark	1:25
One Texas Center	**1:107**

Large Conference Room (Seats 20-50)	Ratio Per Person
Benchmark	1:125
One Texas Center	**1:137**

WORKPLACE, DEPARTMENT SUMMARIES

The following pages provide highlights about the various departments involved in the Strategic Facilities and Logistics Roadmap. The information was gathered from face-to-face executive interviews and space needs assessment interviews, and was supplemented by information taken from departmental websites. Note the following information represents potential facility changes based on anecdotal evidence.

AUSTIN ENERGY

Mission

To deliver clean, affordable, reliable energy and excellent customer service.

Space Needs Key Points

- The department hopes to add a new 175,000 to 200,000 square foot facility in the near future.
- Would like to have a consolidated call center facility (approximately 30,000 square feet), most likely leased.
- Administration functions are currently split between Town Lake Center and 811 Barton Springs, both facilities have been outgrown and there is significant overcrowding. The lease rate at 811 is unfavorable.

BUILDING SERVICES

Mission

We will accomplish this [to be the model facility service organization] by providing outstanding support and superior service to city facilities and employees. This includes developing staff that are motivated, highly skilled and customer focused, and building relationships based on mutual respect, effective communication and shared goals.

Executive Interview Key Points

Service

- Budgets for facility maintenance are slim or non-existent.
- Lack of facility tracking software.
- Other departments have established their own building services.
- Obligation to bond payments.

Work Environment

- Many buildings are in terrible condition.

CODE COMPLIANCE

Mission

To preserve the health, safety and welfare of the community through education, cooperation, abatement and enforcement.

Executive Interview Key Points

Service

- Need to address lack of thoroughfares through the city, especially I-35 corridor.
- Only city in the United States that has police picking up junk vehicles.
- Difficult to purchase extra vehicles to address shortages when fleet is repairing vehicles.
- Want storefront property for walk-in clients.
- May take over permitting for large events.

Work Environment

- Technology makes mobile work difficult and limits operations.
- 42 staff in field 60 percent of the time have dedicated desks.
- Have considered collocation.
- Too many hard walled offices.
- Several people share each office.
- Lack of funding for repairing/updating facilities.

Space Needs Key Points

- Currently lack conferencing rooms and storage.
- Additional space for internal staff training and community training seminars is requested.
- Often deals with disgruntled public visitors which requires meeting areas to be separate from work areas. Currently not the case.

COMMUNICATIONS AND TECHNOLOGY MANAGEMENT (CTM)

Mission

To provide citizens and internal and external business partners with reliable information and efficient technology services to assist them in meeting their information needs and business goals.

Executive Interview Key Points

Service

- Work in groups for consensus; no point leadership person.
- Striving to achieve overall city goals rather than working separately for individual departments.
- Geographic staff dispersion interferes with business practices.
- City and the County IT efforts are duplicated.

Employee Work Environment

- Need space for more staff at Riverside.
- Want more flexible and collaborative space.

- Staff away from desks 50 percent of the day.
- Increased space for private phone calls required.
- Looking into teleworking.
- Significant staff utilization of public transportation.

Space Needs Key Points

- Requires significant security measures.
- Staffing growth largely determined by future technology demands.
- Occupies space within integral buildings to provide support for other departments (ex. CTM has a large presence at CTECC to support the work of other departments at that facility).
- Conducts training both departmentally and citywide.
- The 7,000 square foot data center at Waller Creek Center (AWU Headquarters) requires a new location in the near future.
- Department wants consolidated headquarters.
- The Greater Austin Area Telecommunications Network (GAATN) infrastructure that CTM supplies to the city is expensive to put in place.

CONTRACT MANAGEMENT

Mission

To provide Contract Management and Real Estate Services. The Contract and Land Management Department focuses on the procurement of professional and construction services and the execution and management of the resulting contracts. The Office of Real Estate Services provides judicious execution and management of real estate matters. These services are key in facilitating effective and efficient capital improvements resulting in improved quality of life for all City of Austin residents.

Executive Interview Key Points

Service

- Customer oriented, have many walk in's from the city and the public.
- No reason for department to be dispersed, should all be together.
- Central location is accessible for customers.
- Parking problems- time sensitive issue for vendors coming to turn in bids.

Work Environment

- Lack space.
- Large file room is full and this may threaten the structural integrity of the floor due to file weight.
- Considering electronic document storage.
- Most work is heads-down in an office.
- Inadequate conference rooms.
- Do not envision mobile work increasing.
- Handful of staff eligible for retirement in next five years.

Space Needs Key Points

- Prefer centrally located or downtown consolidated facility.
- Department has significant paper storage needs and has concerns about the structural integrity of the file room on floor 10 of One Texas Center.
- High volumes of public interaction are required to perform the functions of Contract Management.
- There is a close relationship and critical adjacency between Small & Minority Business Resources, Public Works, Real Estate, and Contract Management.
- Department is meeting intensive and lacks available conference space.

ECONOMIC GROWTH AND REDEVELOPMENT SERVICES

Mission

To create a cultural and economic environment that enhances the vitality of the community in a manner that preserves Austin's character and environment.

Executive Interview Key Points

Service

- City Hall location can be beneficial.
- Group is utilized to support the arts of the city.
- Align with Imagine Austin, Campo 25, & Improvement Plan.
- Prefer public buildings be located outside TIF districts.
- New initiative to expand the industrial commercial area around the airport.
- Want to sustain natural environment, attract well educated/young demographic, and maintain iconic cultural assets in the city.

Work Environment

- Department is currently separated geographically and would like to be consolidated to reinforce synergies.

Space Needs Key Points

- Prefer a single consolidated facility downtown.
- Facilitates ample citizen training.

EMERGENCY MEDICAL SERVICES (EMS)

Mission

To preserve life, improve health and promote safety.

Executive Interview Key Points

Service

- Dedicated to sustainability.
- Annexation hugely impacts EMS and creates overlaps in service.
- Provide city and county wide services.
- Inadequate facilities, three facilities cannot accommodate ambulances.
- Service centers lack staff to maintain vehicles.
- Three mile distance between service and warehouse/ supply is problematic.
- Central location is key.

Work Environment

- Collocate with Police, Fire, TxDOT, Sheriff.
- Desperately overfull at the five main facilities.
- Restrictions at RBJ require anything built on site must be health related.

Space Needs Key Points

- As population call volume increases, level of service and number of crews increase. Service and crews are most affected by annexation and need to maintain response time.
- Department plans to add 22 stations over the next 15 years, 11 of those stations have determined approximate locations.
- Many truck bays are too short for current vehicles.
- Parking needs include: secured climate controlled ambulance parking, increased outside covered parking, additional secured personal vehicle storage.
- The department wants to centralize operations (admin., training, garage, supply). Functions currently decentralized across five locations causing difficulties and inefficiencies.
- Collocation of Fire and EMS significantly reduces construction costs. However, collocation means both departments respond to the same crisis at the same time versus one arriving to help before the other. Each department has different shift times, cultures, and responsibilities.
- Many stations lack city card access (eg. traditional keys).

FINANCIAL AND ADMINISTRATIVE SERVICES (FASD), Including Budget Office, CPO, Controllers, Purchasing, Treasury and TARA

Mission

To maintain the financial integrity of the City and to provide comprehensive and integrated financial management, administration, and support services to City departments and other customers so that they can accomplish their missions.

Executive Interview Key Points

Service

- 26 percent of staff is eligible to retire within the next 3 years, 32 percent of staff retirement eligible in 5 years.
- Maintain adjacencies to City Manager and Council with presences in downtown in City Hall, Municipal Building, Chase Building.
- Corporate wide department, provide central, convenient access to city departments.

Work Environment

- Maintenance issues at Municipal Building including elevators, bathrooms.
- Space and/or technology for record storage.
- Maintain parking for employees at Chase Building, Municipal Building.

Space Needs Key Points

- At capacity in City Hall, Municipal Building.
- Will require additional office space in three to five years to accommodate growth.
- Will need to secure additional parking.

FIRE

Mission

The preservation of life and property is the central mission of the Austin Fire Department.

Executive Interview Key Points

Service

- Lack of and poor condition of facilities affects service.
- Technology challenges.
- Lack inventory control.
- Preparation for the next fire requires driving from building to building to stock truck equipment.
- Providing in-house inspection of protective equipment (previously contracted).

Work Environment

- Technology updates increase facility heat and noise (computers, printers, etc.)
- Gender ratios of the workforce necessitate remodeling.

- A maze of cubes divides staff and inhibits privacy.
- Need conference and flexible space.
- Significant drive time to attend city meetings.
- Have considered collocation.
- Large storage requirements for equipment.

Space Needs Key Points

- Department growth primarily affected by annexations and the department's goal to maintain a 3.5 minute response.
- Many facilities require cosmetic and mechanical updating.
- Department is experiencing long drive times to the training facility. An ideal scenario would be to have three more regional sites to provide training.
- Potential consolidation of city fire departments with some County fire departments, may affect staffing and equipment.
- Personal Protective Equipment requirements will include a dedicated 225 square foot storage room at all sites.
- Wants a true warehouse with loading dock and central receiving.
- Many facilities lack truck bays and/or have driveways that are too short for current vehicles.
- Current ratio of support staff to firefighter is 1:18, the department wants this to be closer to 1:8.
- 10 stations expected over the next 15 years, may be 16 stations if the economy rebounds.
- Department wants a downtown headquarters.

FLEET

Mission

To provide Fleet management services to the City of Austin; to continue building and maintaining positive working relationships while exceeding expectations; and, to provide exceptional service in a safe, efficient, environmentally responsible, and ethical manner.

Executive Interview Key Points

Service

- Outsource many accident repairs (prefer in-house).
- Want consolidated central location with satellites citywide.
- Want a drive-through PM shop with an in-and-out center for efficiency.
- Fire and EMS vehicle storage (should be stored by departments).
- Want to be near rail line.
- Master plans of all departments should be aligned for efficient services.
- Improved technology training for staff.
- Changing technologies may completely alter how Fleet interacts with other departments.

Work Environment

- Service Center 05 has half of the space it needs and will need to be relocated due to the Waller Creek project.
- 30 percent of current fleet staff are eligible for retirement in the next five years.

Space Needs Key Points

- Overall need for more vehicle storage for those waiting for service at most Fleet facilities.
- The department would like to establish a centrally located consolidated facility that includes administration, acquisition, body shop, fueling, heavy shop, light shop, and CTM Radio. Satellite facilities would still exist and would focus on departmental specialty work while still catering to general repairs.
- To accommodate current and future space needs, most Fleet Service Centers have been identified by the department to require approximately 30,000 square feet.
- Significant exterior storage needs, a parking garage would be preferred to accommodate some of these needs.
- Certain types of services not currently offered by the Department requiring some vehicles be sent long distances for repair (i.e. fire trucks currently are serviced in Waco, approximately 100 miles away).
- Findings from the logistics study show a significant shortage of truck bays to technicians which is impacting service turn around (1.75 services bays per technician is the recommended ratio).

HEALTH AND HUMAN SERVICES(HHSD)

Mission

To work in partnership with the community to promote health, safety, and wellbeing.

Executive Interview Key Points

Service

- Provide service at the city, county, and state levels.
- WIC services require storefront properties.
- Considering collocation.
- Tailor offerings to the communities where located.
- Would like to cluster all services in three areas: Pflugerville, Del Valle, and Manor.
- Public transportation nodes.
- Work closely with non-profits.
- Have mobile outreach programs and employees who are largely out of the office.
- Embarking on a coordinated registration process across HHSD departments.

Work Environment

- Want a space that is open, unique and comfortable.
- Large exercise community within the staff.
- Space should be flexible.

Space Needs Key Points

- Many facilities are located in areas that no longer include the lower socioeconomic populations they serve.
- Considering a shared facility to include Parks and Rec and the Library near the department's existing Montopolis facility.
- Facilities often house programs run by entities other than the city (Travis County, State, non-profits…).
- Have identified the need for an approximately 12,000 square foot consolidated warehouse for supplies and personal protective equipment storage.

HUMAN RESOURCES

Mission

To engage, attract, develop, support, and retain the best workforce in the country to serve the citizens of Austin.

Executive Interview Key Points

Service

- Recently relocated specific groups outside main office.
- Decentralized system.
- Need system for electronic document sharing across departments.
- Small waiting area.
- Services are given in staff workstations; lack division between public/private space.
- Want to increase awareness about workforce centers.
- More staff at remote locations.
- Increasing client needs for bilingual services.
- Increasing online application options.

Work Environment

- Parking issues.
- Privacy issues.
- Safety concerns.
- Office area feels like a maze.
- Looking for increased collaboration.
- Record space is full, want high density file storage.

Space Needs Key Points

- The department has many privacy needs.
- There is concern about the weight of the large HR records room on the 6th floor of One Texas Center.
- HR conducts training for the city, and the main training facility is the Learning and Research Center which may be relinquished for Aviation Use.
- The department does not operate as a fully centralized or a fully decentralized entity.

LAW

Mission

To serve the community by providing the highest quality legal services to the City of Austin so that it can govern lawfully with the highest level of integrity.

Executive Interview Key Points

Service

- Twenty percent of full time employees retirement eligible.
- Some employees spend a lot of time in client facilities and little time in their own office.

Work Environment

- Large library not frequently used and a lot of paper documentation stored.
- Track time electronically.
- Adapt service for each department served.
- Need quiet and confidential space, multi-functional community space.

Space Needs Key Points

- The majority of the Law Department has a strong adjacency to City Hall.
- The work of the department requires quiet and confidential space.
- Several attorneys have recently moved into a short term leased space closer to the Municipal Court until the long term plan for the new Municipal Courthouse has been identified.

AUSTIN PUBLIC LIBRARY

Mission

To provide easy access to books and information for all ages, through responsive professionals, engaging programs, and state of the art technology in a safe and friendly environment.

Executive Interview Key Points

Service

- Department master plan includes a new central library that will embrace the "Bookstore Model."
- Crime is a major concern at many facilities.

Work Environment

- Will not be building neighborhood libraries in the future, will be proving larger resource libraries in regions of the city.
- Collocating challenges with other departments.

Space Needs Key Points

- The department is currently implementing a pre-established master plan.
- Security issues exist at many locations.
- Libraries will be evolving to a new "book store" model that encourages the use of technology and acts as a gathering place for the community.
- Large Resource Libraries will become the go-to facilities rather than smaller neighborhood libraries.
- The Austin History Center is over storage capacity and has recently had to turn down additional historical artifacts. The Faulk Library has been identified as an additional location for display and storage.

MUNICIPAL COURT

Mission

To provide fair, efficient, and accountable service to the public by impartially administering justice so that the quality of life is enhanced.

Executive Interview Key Points

Service

- Many criminal cases processes, but they may change laws to separate civil cases that do not require court processing.
- Want to be seen as the third Judicial Branch (not a part of the city), need professional environment.
- Public demand for staff interaction (versus automated or on-line systems).
- Serves entire metro area.
- Require high visibility, easy access and parking, and would like a day-care for employee's children.
- Staff located in one building helps provide efficient service.
- Aggressive behaviors seen in the lobby.

Work Environment

- Generational divide caused by technology.
- Very small court rooms.
- Significant mail/phone call volumes.
- Facilities are not functional or secure.
- No space to accommodate growth.
- Want more mobile work.
- Staff need lockers for personal items.
- Privacy concerns.

Space Needs Key Points

- Many facilities are too small or otherwise insufficient for the functions of this department.
- Municipal Court expects to add four substations over the next 15 years.
- There are issues with collocating this department with Police.
- A new Municipal Court location has been programmed at approximately 75,000 square feet to replace the current E. 7th Street location. The Home Depot Site has been identified as a potential replacement site, however, the site can fully accommodate the program.
- In facilities for this department, the separation of staff and public space needs to be carefully considered.
- The current DACC is inadequate for the needs of the department and should be relocated.

NEIGHBORHOOD HOUSING AND COMMUNITY DEVELOPMENT

Mission

To provide housing, community and small business development services to benefit eligible residents so they can have access to livable neighborhoods and can increase their opportunities for self-sufficiency.

Executive Interview Key Points

Service

- Public involvement can be cumbersome.
- Concept to live, work, and play in the same area but services are expected to perform regionally.
- Concerns about foreclosures and the coming credit crisis.
- 15-20 percent of the staff provide direct services.
- Would like to extend services east of Highway 183.

Work Environment

- Beautiful facility with parking and restaurants nearby, but very expensive lease.
- Currently have more space than necessary.
- Barriers interdepartmentally, territorial mentality, hierarchy of staff.
- Their telecommuting program could be enhanced.
- Nine percent of staff eligible for retirement (no succession plan) and the average staff age is more than 50 years old.

Space Needs Key Points

- Considering a building purchase.
- Existing adjacencies at their current location allows for the creation of a "housing corridor."

PARKS AND RECREATION (PARD)

Mission

To provide, protect, and preserve a park system that promotes quality recreational, cultural and outdoor experiences for the Austin community.

Executive Interview Key Points

Service

- Cover huge service areas with inadequate staffing.
- Behind in technology.
- Given properties for political reasons, then have difficulty maintaining them.
- Frequently contacted by disgruntled citizens.
- Considered a face of the community, could be located anywhere.
- Shutting down facilities that are no longer utilized is difficult because of public involvement.
- Need software for managing facilities/land.

Work Environment

- Many facilities are not suited for the work (residential houses, mobile homes).
- HVAC concerns.
- Realize there are duplicate services across departments and encourage collocation.
- Highly collaborative group.

Space Needs Key Points

- The increase in the Baby Boom population is driving a need for additional services in Central Austin, this is expected to continue to grow over the next 20 years.
- They are moving towards a more holistic approach for providing services with multi-functional facilities to meet the community needs and reduce carbon footprint. Collocation with other departments (Health and Human Services, Police, Library) is one consideration for this plan.
- The demand for Special Needs Rec Centers is expected to grow based on the population of special needs students in the area.

PLANNING AND DEVELOPMENT REVIEW (PDRD)

Mission

To provide planning, preservation, design, comprehensive development review and inspection services to make Austin the most livable city in the country.

Space Needs Key Points

- Occupies several floors at One Texas Center, and the departmental separation is not ideal.
- The department sees potential to vacate Service Center 13 when the urban rail line is put behind it.

AUSTIN POLICE DEPARTMENT (APD)

Mission

To keep you, your family, and our community safe.

Executive Interview Key Points

Service

- Rapid growth has increased department demands.
- Have to work closely with the neighborhoods who resist having a station in their area.
- Investigative and undercover facilities are not well located.
- Dispersed facilities create excess drive time.
- Would like to have their own jail.
- Overcrowded parking.
- Storage shortage for seized vehicles and evidence.

Work Environment

- Substations are crowded.
- Large record rooms hold paper records required by the courts.
- Staff are present 24/7 and have security issues with parking.
- Many departments require private conversation space.
- Facilities are run down, unhealthy and staff have long worked in unfavorable conditions.
- Problems with space were once so terrible that officers unofficially set up informal substations.

Space Needs Key Points

- The current space priorities of the department are: New Headquarter Facility (most important issue), Mounted Patrol Facility (second most important issue), Central West Region I Substation, NW Region II Substation, SW Region IV Substation, Park Police Facility, Air Operations Facility, and a Master Plan Update.
- Programs have been established for many of the future facilities identified.
- There is worry that the Waller Creek Project will displace the department from their current headquarters and that many units will be displaced without an existing plan for where they may be relocated.
- Police may consider headquarters location east of the city center. If this happens, a substation will need to be added downtown.
- The department has significant parking requirements for city and private owned vehicles.
- APD requires a high level of security beyond the city standard in their facilities.
- There is currently a disconnect between the placement of APD facilities and the rapid growth of Austin.
- Many APD facilities have been filled beyond their original capacity or intent and this is affecting operations significantly.

PUBLIC WORKS

Mission

To provide an integrated approach to the development, design, construction, and maintenance of the City's infrastructure systems so that Austin's residents and business communities can have an exceptional quality of life.

Executive Interview Key Points

Service

- Annexation makes providing service difficult.
- Technology issues.
- Need to spread facilities West.
- Need staging areas.

Work Environment

- Air quality mandates are difficult to keep up with
- Changing work week/hours may change how they work.
- Have a flexible work space so may not need to grow, but need to provide mobile work tools.
- Empty work cubes 60-70 percent of the day at One Texas Center.
- Culture needs to increase acceptance of mobile work and provide space to support it.
- Need more teleconferencing capacities.
- Have considered collocation.
- Need more fitness space, showers, mother's room, break room.
- Collaborative group but have split cultures between professionals and crews.
- 18 percent of the staff eligible for retirement in next five years.

Space Needs Key Points

- The department would like to have staff from One Texas Center, 811 Barton Springs, Rio Grande, and 105 Riverside located in a single consolidated facility. It is understood there are space constraints and Public Works is open to exploring current thinking in work place design to achieve their consolidation goals.
- A program exists for a 45,000 square foot new facility to be located at Harold Court. There is potential to collocate with other departments at this site.
- The department has significant parking and exterior storage requirements.
- Public Works is looking at the McKalla Place site that the department currently owns as a location for the North District Service Center.

REAL ESTATE

Mission

To acquire real property for infrastructure improvements, appraise the fair market value for property being acquired, and lease property required by city departments. We also lease available city-owned property to third parties and *provide real estate consultation to various city departments.*

Executive Interview Key Points

Service

- Neighborhood opinions squash ideas.
- Own many vacant properties, no property inventory.
- Federal Grants require them to be located in the area where they purchase property.
- Departments don't understand their rights at their properties.
- Lack fund for replacements and reserves when purchasing a property.
- Departments make decisions without consulting real estate and some release it to the public opinion.
- Provide a One Stop Shop.
- Face long permitting processes.

Work Environment

- Parking and traffic issues.

Space Needs Key Points

- The recently passed Senate Bill 18 will make major changes to the way this department operates.
- Adjacencies between Real Estate and several other several departments exist, but the most important adjacencies include Public Works, One Stop Shop, and the Planning Department.

SMALL AND MINORITY BUSINESS RESOURCES

Mission

To administer the Minority-Owned Business Enterprise/ Women-Owned Business Enterprise (MBE/WBE) Procurement Program and provide development opportunities and resources for small, minority-owned and women-owned businesses so that they can have affirmative access to City procurement opportunities.

Executive Interview Key Points

Service

- 41 percent retirement eligibly in next five years.
- Prefer a more central location for client accessibility.
- Want more citywide service coordination.
- Would like more visibility.

Work Environment

- Major problems with current facility
- Have a mobile work program in place but it could use improvement.
- Looking into electronic document storage.

Space Needs Key Points

- There is a close relationship between Small Business Minority Resources, Public Works, Purchasing, and Contract Management.
- The department would like to relocate to a downtown location near public transportation.
- Although technology may change the bid submittal process for the city, the department is committed to providing the resources and access for all bidders to be able to participate (i.e. plan rooms).

SOLID WASTE SERVICES

Mission

To achieve zero waste by providing excellent customer services that promote waste reduction, increase resource recovery, and support the City of Austin's sustainabililty efforts.

Executive Interview Key Points

Service

- Need better access to parking and fueling for fleet.
- Service area is growing, want to minimize carbon footprint.
- Much driving between administrative and operations space.

Work Environment

- Have looked at options for relocating and creating multiple service centers.
- Want a multipurpose room for large meetings.
- Currently locked into the Rutherford building by the bond payments.
- Would like to consolidate staff.
- Lacks natural light.
- Staff does 90 percent heads down work.

Space Needs Key Points

- Synergies for collocation with other departments are being examined.
- Recently underwent a space feasibility study that has led them to their decision to add additional North Service Center where AWU and Fleet could also be housed. The study also led to the discovery that an additional Home Hazardous Waste facility is required in the North.
- Significant exterior storage and parking needs exist.
- Solid Waste Services plans for an Eco-Industrial Park on the front 80 acres of the current Landfill Office on FM812.

SUSTAINABILITY

Mission

The Office of Sustainability inspires people to take action and lead change toward Austin's shared objectives for a healthy environment, excellent quality of life, and continued economic vitality.

The Office helps coordinate all "green" efforts and action at the City of Austin, provides community education and outreach, and manages the Austin Climate Protection Program.

Executive Interview Key Points

Service

- Emphasis on the triple bottom line and getting their message out to the city/public.
- Have considered collocation and integration of services with other departments.
- Want to be located Central/East at a transit node with high visibility.
- Would like green ratings on all city buildings.
- Could benefit from software for project planning.

Work Environment

- Facility should reflect green ideals of the department.
- Want a non-traditional collaborative work environment with flexibility and privacy balance.
- Could be a touchdown area for other city employees.
- Support mobile work, teleconferencing.

Space Needs Key Points

- Currently in the process of consolidating the majority of staff at the Street and Jones facility. The space will be a flexible use open floor plan with hoteling availability.

AUSTIN TRANSPORTATION

Mission

To deliver a safe, reliable and sustainable transportation system that enhances the environment and economic strength of the region.

Executive Interview Key Points

Service

- Services similar over past 20 years.
- Frequent interactions with disgruntled citizens.
- Part of mission carried out by other departments.
- Would like to relocate departments to streamline services.
- Staff report downtown, but work in the suburbs.
- Clients currently come into the staff personal space for services.
- Push for electronic storage, not there yet (have significant historical documentation).
- Have considered collocation and North and South service centers.

Work Environment

- Significant lack of security.
- Understaffed.
- Would like increased collaboration within the department.
- Lack conference spaces and hotel spaces.
- Want a break room, flexible space, growth space.

- Solid wall offices have been used to mark status, trying to change this.
- Parking issues.
- Current space feels maze-like.
- HVAC issues.

Space Needs Key Points

- Transportation would like to add a 19,000 square feet building to the Harold Court Campus. There is potential to make this a shared facility with Public Works and Fleet.
- Sites at Jessie Street and Toomey Road are likely to be vacated in the future. Property values of these locations are seen as too valuable for current use and capacity has been exceeded at both sites.
- Department growth is correlated directly to population. Projects like the Urban Rail and Arterial Management also increase staffing needs.
- Exterior storage is significant for Austin Transportation.
- The Traffic Management Center that is currently 1,500 square feet at Toomey has the strong potential to become regionalized. A regional Traffic Management Center would require approximately 10,000 square feet and would be collocated with TxDot, CTRMA, and CAPMetro.

AUSTIN WATER UTILITY

Mission

To provide safe, reliable and high quality water services to our customers.

Executive Interview Key Points

Service

- Citizen participation forms the goals for the department and makes the process longer.
- Service area constantly growing, trying to provide infrastructure.
- Severely understaffed, have only added 20 employees in the last five years.
- Billing and customer service go through Austin Energy.
- Profits are shrinking because of water conservation efforts, monetary obligations to the city remain.
- Would like to relocate services to increase efficiency.

Work Environment

- Many facilities with major maintenance problems, especially HVAC.
- Own abandoned facilities, wet lands.
- Collaboration is a core value.
- Have adequate conference space.
- Service centers are constrained, lack of parking.
- 50 percent retirement eligible in the next ten years, but have strong training and transferring of knowledge.
- Increasing mobile work efforts.

Space Needs Key Points

- Govalle is an abandoned site that is viewed as a valuable expansion property for a service center, lab… etc. It is easy to decommission and has an ideal central East Location.
- Austin Water Utility is looking for increased training opportunities that are also easily accessible. The northern region is seen as having potential for more training.
- The current North Service Center would likely be able to provide better service if it were located further North.
- The Summit Lab facility is in terrible condition but the availability and costs associated with a new lab facility have discouraged a replacement facility.
- The Laboratory Services Division currently occupies four lab sites across the city and would like to move to a single centralized location to operate more effectively and efficiently.
- There is pressure for the department to vacate their facility at Waller Creek.

WATERSHED PROTECTION

Mission

To protect lives, property, and the environment of our community by reducing the impact of flooding, erosion, and water pollution.

Executive Interview Key Points

Service

- Austin is a flood capital, work closely with the public.
- Current locations work well for the most part.
- Overlap services with TCQ.
- Electronic plan viewing would be useful.

Work Environment

- Lack workspace, conference spaces.
- Would like a technology training space, teleconferencing.
- Collaborative department, want to stay together.
- Many staff work in the field.
- HVAC issues.
- Mobile work opportunities are present.

Space Needs Key Points

- Department currently has issues with gentlemen's agreements instead of leases at many of their facilities. They are often forced out of a space without much notice.
- Watershed currently operates out of Central, North, and South locations (four facilities total). They would prefer one central location with major highway access, a Northern Satellite, and the new Waller Creek facility.

WIRELESS COMMUNICATION SERVICES DIVISION

Mission

To provide good technology choices, efficient solutions to our internal customers to our business partners for the Texas area – also part of our goal is to provide it in a secured manner.

Executive Interview Key Points

Service

- Focus on three dimensions: people, dispatching people, and data classes/Greater Austin Area Telecommunications Network (GAATN).
- Significant demand for mobile device support.
- Look at city long term technological needs.
- Work is 20 percent projects, 80 percent maintenance.

Work Environment

- Current Data Center was a retrofit and is not ideal, would like to have two (one downtown and one North) away from the road and out of the floodplain.
- See the opportunity for significant consolidation of racking.
- Some staff will need to stay remotely on site but 200+ could be consolidated at one location.
- Cross training, mentorship, and knowledge exchange is very important to the department.
- Would like increased flexible and collaborative workspace.
- Lack of storage.
- Need a place for staff at facilities that require someone to work remotely there.
- Teleworking will continue to increase in this department.

OPERATIONS AND MAINTENANCE

Building Services supports over 250+ city facilities with a range of services including: custodial, mechanical, electrical, plumbing, locksmith, maintenance, security, mail services, remodeling and space planning. Building Services accomplished this with a $9,295,035 operating budget and 144.6 full-time equivalent (FTEs) for 2011. Despite these constraints, they achieved recognition for a number of accomplishments. Below is a list of highlights from calendar year 2011:

1. Received a "Level I" award recognition from the University of Texas Center for Performance Excellence for our 2011 organizational assessment using Malcolm Baldrige performance excellence criteria. "Best Managed"
2. Supervisors and Manager for Custodial program completed the Green Seal-42 Accredited Training - Environmental Standard for Commercial and Institutional Cleaning Services. "Best Managed"
3. One Texas Center Awarded 3rd consecutive Energy Star certification. "Best Managed"
4. Established a continuous improvement program using Malcolm Baldrige award criteria as the framework. "Best Managed"
5. Reduced landfill waste at Rutherford Lane Campus and One Texas Center by approximately 400,000 plastic waste can liners per year at a cost savings of $5,000 per year. The city will continue to implement this Best Practice to other sites. "Best Managed"
6. Tripled revenue at City Hall Parking Garage. Contract parking is now offered to the public.
7. Implemented Green Seal custodial standards at City Hall. "Best Managed"
8. Implemented a methodology called Five S (5S) for the purpose of reducing waste, improving productivity and workforce safety. "Best Managed"
9. Started a development program for department leaders including training as Baldrige examiners, assessing leadership styles with the DiSC assessment tool, and encouraging opportunities for exposure to nationally-recognized thought leaders. "Best Managed"
10. Began the process of implementing a "shared governance" team model as part of an initiative to improve workforce engagement.

Summary Observations for Facility Management Practices

As part of the data gathering efforts for the Strategic Facilities and Logistics Roadmap, the RSP i_SPACE team has have been engaged in observing and evaluating the City of Austin with regard to strategic planning, facility management and repair, and learning how the city addresses oversight, control and support for their owned and leased public buildings. Policies and procedures used by the city to repair, maintain and program their physical plant activities were compared and contrasted with industry best practices. As a result, the following comments are submitted for consideration:

- City does not currently employ long-range planning and programming of facilities.
- The city does not currently have a master facilities plan from which to base future decisions and budgets.
- City does not have a program addressing termination, sale, replacement or new construction of buildings.
- Departments are fragmented with regard to control of facilities management responsibilities with no prevailing command and control element. For example, the city does not employ a CMMS or IWMS system for control of work orders, scheduling of repair and maintenance, and accounting for resources of manpower, money and time.
- The organizational structure for facilities maintenance and repair activities may be significantly improved to control work, materiel and financial resources.
- The city leases commercial office and special use space in order to address overcrowding and location of city services and personnel.
- Monetary facility resources are divided among departments and are subject to re-allocation or re-purposing in the event of funding shortages for operations.
- Preventive maintenance services are limited or non-existent for most facilities; activities are relegated to corrective maintenance or replacement of structural and MEP system components, “break-fix” response, and occasionally “break-don’t fix” reaction.
- Emergency service response is provided through interruption of normal building repair functions to re-purpose responding maintenance technicians.
- Janitorial service, coordination and accountability is observed to fall well short of the desired levels of cleanliness, freedom from debris, and storage for the workplace and equipment rooms.
- Plans, drawings and construction documentation are not available, properly cataloged or accessible by building maintenance personnel.
- Outsourced contractor and vendor services are used extensively to cover shortfall in the technical ability of employees, shortage of personnel, lack of in-house training and accessibility to special tools and equipment needed for repair and maintenance work.
- Planning and estimating is not usually provided for work orders that result in project work.
- Training and education for building services personnel is not provided; no technical designation programs or professional development involvement are currently being pursued.
- Parts and supply inventories to support repair and maintenance functions are not maintained.

All of the issues listed above, along with additional minor activities, provide opportunities for making rapid and far-reaching improvements in controlling, maintaining, and supervising the public assets City of Austin.

Summary Observations for Phase 2 Tier 3 Facilities Assessment Inspections
Fire Stations and 11 Selected Facilities

The Facilities Assessment Condition reports in this study address observations for individual fire stations at the low level. Roll-up reports are provided by portfolio for medium and high levels and cost and score report. In addition, we have provided SWOT analyses of individual properties citing pro's and con's of operations and maintenance issues, combined with real estate, workplace and logistics issues. This summary addresses our observations and evaluation of problematic issues common to most or all of the buildings during the investigation. This commentary applies to Fire Stations 1 through 27, with the exception of 13 (no such station) and 17 (removed from list), in addition to the following properties: Austin Police Department HQ, Austin Police Department Patrol Building, Building Services HQ, One Texas Center, Uniform Services, Rutherford Lane, Municipal Courts, Service Center 05, Municipal Building, Technicenter and Rebekah Baines Johnson Center.

Managing the physical properties of a fire station is similar to the responsibilities of a home owner overseeing maintenance, repair and caretaking of their residence in order to preserve its habitability, ensure quality of life for residents, and protect the premises from deterioration. Similarities include the size of the facility, purpose of the interior rooms, and amenities necessary to support the needs of individuals required to work, eat and sleep within the structure. Notable differences would include the number of persons to be accommodated at each property; size of living, eating and sleeping quarters; and the need for technical systems to support the tactical mission of firefighters. In addition, the requirement for the building to provide 24-hour, year-round shelter and support for its residents increases the rate at which building systems (notably mechanical, electrical and plumbing) age, when compared to other facilities of similar age. In response, these systems and other features of the buildings require greater attention to periodic repair and maintenance than would be experienced from those in a private residence.

Similarly, the 11 office and trade buildings inspected all have special purposes and support one or more city departments with services and technical activities considered critical to public benefit. The employees working in these facilities provide their services to hundreds of thousands of citizens in and around Austin.

One of the most basic and significant practices necessary to ensuring ongoing functionality and extending longevity of any facility is the implementation of an effective preventive maintenance and repair program. No preventive maintenance program is currently being used by the city and this constitutes one of the greatest immediate opportunities for implementation.

An effective preventive maintenance program requires detailed inventory of all mechanical, electrical and plumbing equipment, with information recorded and maintained concerning manufacturer, model numbers, dates of installation, warranty data, operation manuals or cut sheets and recommended maintenance schedules and procedures. Floor plans and as-built drawings, along with changes to facility structural and MEP system components should be updated as they occur. Upgrades and renovation of facility systems (lighting, life safety, etc.) should be documented and maintained through meticulous oversight. Repair parts and supply sources for all of these should be updated for reference and procurement.

The absence of preventive maintenance activities over time has resulted in accelerated aging and occasional unplanned replacement of system components and mechanical equipment. Our observations include the perspective that the most important and expensive components of the structures receive the least attention and are, therefore, experiencing reduced life expectancy. The result is inefficient operation and more frequent repair or replacement earlier than might otherwise be required.

The lack of an ongoing and effective pest control program is evident from the number of stations and buildings with active rodent populations that have not been brought under control. In particular, the Rebekah Baines Johnson Center has an extensive problem with birds living inside the building from access ports that were originally balcony drain scuppers which were not closed during conversion of those areas of the building to interior use.

Operations and Maintenance, continued

With buildings originally constructed between 1904 and 1988, the newest property we visited is now over 24 years old, with the oldest built over a century ago. Structural inadequacies were noted that are the collective result of age, deteriorating physical condition, size of the properties compared to crew size and number of employees assigned to work at each station and city building. All of these factors were considered in light of premises that have not been kept updated with technology, the evolution of equipment and vehicles and – in the case of fire stations - changing neighborhood dynamics.

One of the basic requirements in preserving any facility over time is to establish and maintain a superior level of cleanliness and order. These elements were not found to be present in almost all of the facilities. In particular, the amount of accumulated dirt, dust, trash and storage in mechanical service rooms, janitorial closets and supply areas was disappointing to observe. These conditions result in lower quality standards for property tenants and negatively impacts both morale and employee satisfaction in their workplace. In addition, the presence of these has a direct negative impact on serviceability, operation and longevity of mechanical equipment and systems.

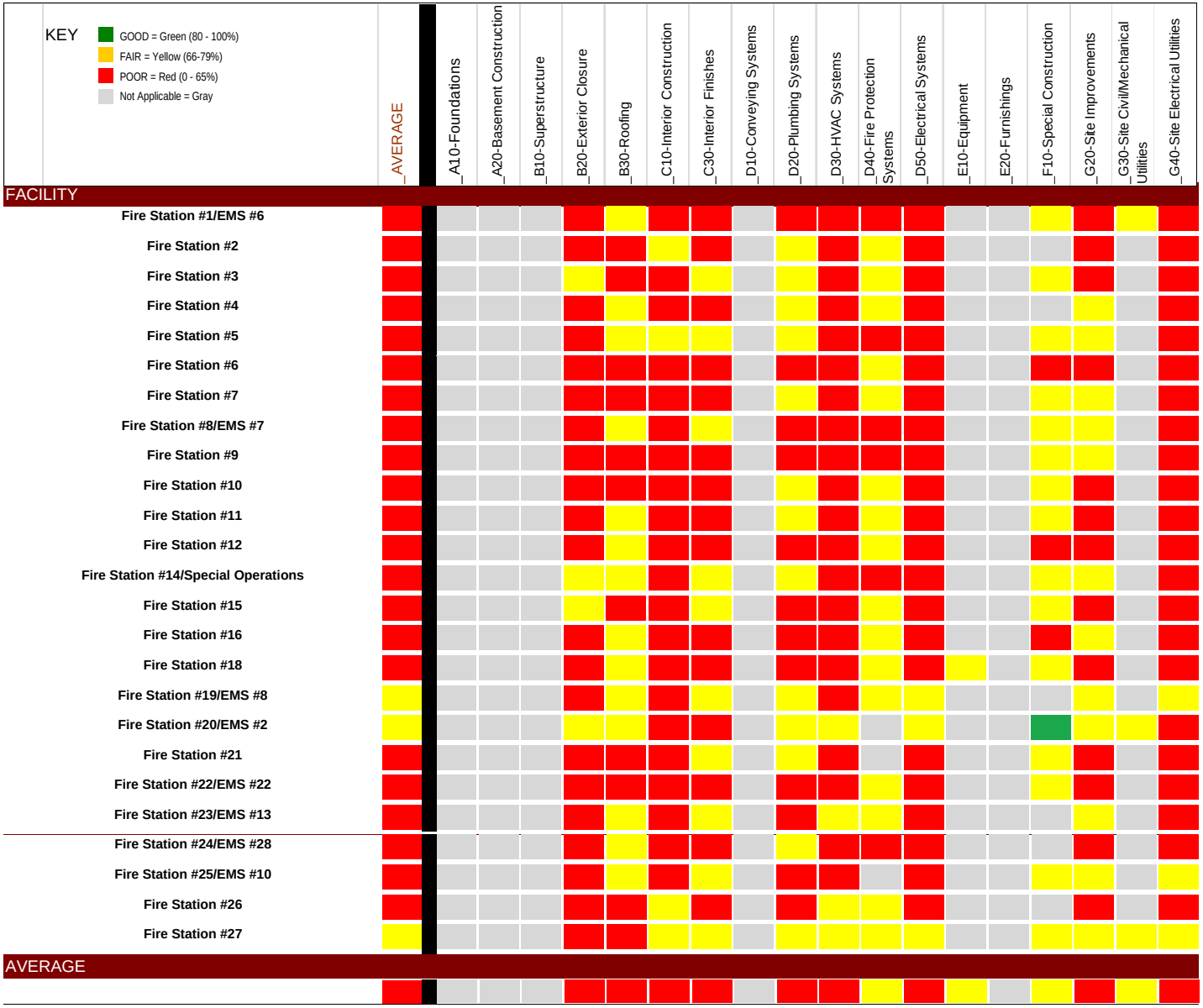
The lack of future planning and programming to phase out older facilities and replace them with newer or renovated structures that provide the benefit of renewed life cycles, more efficient systems, lower operational costs, and greater levels of support for tenants has resulted in buildings being used well beyond their optimal life expectancy and being repaired and maintained at ever-increasing expense. To this end, it would be prudent for the city to consider long term facility solution that deal with disposition of older properties and their elimination, sale or replacement in order to maintain workplaces consistent with modern technology and preserving employee satisfaction.

The table on page 66 shows the weighted condition scores and cost of deferred maintenance for the facilities examined at the Tier 3 level from an operations and maintenance viewpoint. The condition score is based on the condition, age and appearance of the facility, weighted as a function of the priority of importance of the facility (as determined by the city.)

The estimates for deferred maintenance were determined based on the repair and component replacement cost using published data (such as R.S. Means), current construction costs, and worksheets for mechanical equipment replacement detailed in the appendix.

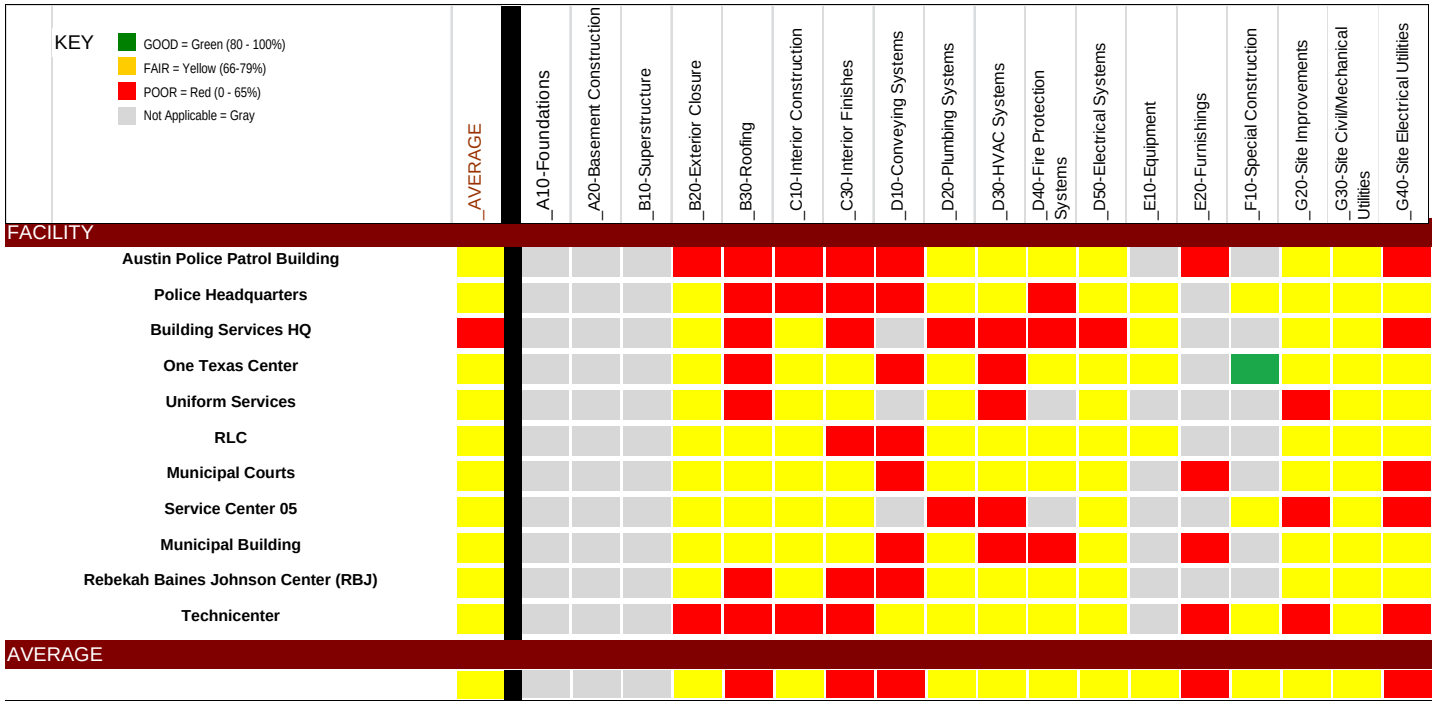
Operations and Maintenance, continued

VISUAL MATRIX - CONDITION ASSESSMENT OF TIER 3 FIRE STATIONS



The visual summary matrix rates the "weighted score" of building components. "Weighted" meaning inputs are a building component as a part of asset preservation versus it's "score" for current condition. This chart instead illustrates buildings based on their functional ratings.

VISUAL MATRIX - CONDITION ASSESSMENT OF SELECT CITY OF AUSTIN FACILITIES (OPERATIONS AND MAINTENANCE TIER 3)



The visual summary matrix rates the "weighted score" of building components. "Weighted" meaning inputs are a building component as a part of asset preservation versus it's "score" for current condition. This chart instead illustrates buildings based on their functional ratings.

TIER 3 FACILITIES - WEIGHTED SCORE AND DEFERRED MAINTENANCE COSTS

	WEIGHTED CONDITION SCORE	COST OF DEFERRED MAINTENANCE
Austin Police Patrol Building	66%	$1,066,911
Police Headquarters	67%	$3,373,678
Building Services Headquarters	62%	$316,308
One Texas Center	71%	$1,145,350
Materials Control, mail room	67%	$245,541
Rutherford Lane Campus (RLC)	70%	$2,216,340
Municipal Courts	68%	$1,765,749
Service Center 05	67%	$113,603
Municipal Building	68%	$1,250,454
Rebekah Baines Johnson Center (RBJ)	70%	$1,215,452
Technicenter (aka: Fire Headquarters)	67%	$778,115
Fire Station 01/ EMS 06	55%	$596,570
Fire Station 02	61%	$282,663
Fire Station 03	65%	$191,792
Fire Station 04	62%	$248,240
Fire Station 05	63%	$152,462
Fire Station 06	60%	$216,377
Fire Station 07	60%	$141,404
Fire Station 08 / EMS 07	60%	$181,304
Fire Station 09	52%	$132,989
Fire Station 10	59%	$125,628
Fire Station 11	62%	$112,316
Fire Station 12	60%	$140,762
Fire Station 14 / Special Operations (2 Bldgs)	64%	$138,379
Fire Station 15	61%	$140,866
Fire Station 16	62%	$140,970
Fire Station 18	61%	$220,599
Fire Station 19 / EMS 08	67%	$141,111
Fire Station 20 / EMS Station 02	68%	$113,505
Fire Station 21	64%	$153,767
Fire Station 22 / EMS Station 12	59%	$121,012
Fire Station 23 / EMS 13	63%	$98,382
Fire Station 24 / EMS Station 28	57%	$148,097
Fire Station 25 / EMS Station 10	63%	$114,422
Fire Station 26	61%	$166,297
Fire Station 27/EMS Station 11	70%	$140,289
ALL FACILITIES	**63%**	**$17,847,699**

CITY AS LESSEE

Address	Square feet	Rent/month	Primary Departmental Lessee/Tenant
1106 Clayton Street	2,168	$3,161	Health & Human Services
4309 General Aviation Avenue	N/A	$1,000	Police
719-721 E. 6th Street	4,900	$7,669	Municipal Court
6901 IH-35	2,600	$3,250	WIC
1213 W. 6th Street	100	$180	Water Utility
700 Lavaca Street	4,934	$13,879	Treasury
1000 E. 11th Street	26,546	$71,291	Neighborhood Housing & Community Development, (Health & Human Services, Sustainability)
14050 Summit Drive	8,850	$10,443	Water Utility
6014 Technicenter Drive	10,000	$4,725	Transportation
5109 E. Ben White Boulevard	4,688	$3,500	Watershed Protection
4110 Guadalupe Street	3,200	$500	Police
4101 S. Industrial Drive	27,520	$11,934	Police
8701 Research Boulevard	6,280	$6,489	Health & Human Services
510 S. Congress	937	$1,171	Watershed Protection
1205 W. Riverside	4,095	$6,552	Contract & Land Management/Public Works
7901 Cameron Road	1,600	$2,160	Health & Human Services
5335 Burnet Road	7,675	$11,788	Library
700 Lavaca	N/A	$14,375	Library
443 Highway 71 West	1,440	$1,700	WIC/Health & Human Services
105 Riverside	1,829	$2,926	Contract & Land Management/Public Works
1213 W. 6th Street	600	$420	Water Utility
811 Barton Springs Road	3,509	$9,357	Public Works
8509 FM 969	6,733	$7,294	Police
720 Bastrop Highway	1,000	$850	Watershed Protection
4122 Todd Lane	6,800	$5,856	Health & Human Services
5738 Manchaca Road	3,785	$5,396	Municipal Court/Changing to Library & Theater
4916 N. IH-35	5,300	$8,004	Health & Human Services
Lyons Golf Course	N/A	$34,560	Parks & Recreation
1124 S. IH-35	37,857	$49,814	Communications & Technology Management
Total	**184,946 (Not including Golf Course)**	**$300,244**	

City of Austin Lease Activity

The city leases a total of approximately 184,946 square feet (not including the golf course) of primarily office and warehouse space from 29 commercial entities in various locations at a monthly cost of $300,244 (including golf course). Leases have been implemented to handle special needs and overflow space over the past few years. Many have options for renewal periods at rates that generally increase over time. In most cases, leased space is available for sub-letting or assignment with the consent of the landlord.

CITY AS LESSOR

Address	Square feet	Rent/month
403 E. 15th Street	N/A	N/A
201 E. 2nd Street	6,000	$3,750
1000 E. 11th Street	2,630	$4,100
201 E. 2nd Street	150	$125
201 E. 2nd Street	394	$1,149
201 E. 2nd Street	N/A	$225
Total	**9,174**	**$9,349**

City of Austin Non-office Leases Not Tabulated

816 Congress - Parking
Round Rock Swimming Pool
CTM Mt. Larson - Water line on site for communications tower
APD Van Storage
NHCD Ebenezer - Parking
WU Baratti - Parking
APD Herzog - Mounted patrol barn and stable
WU - ADA Parking
APD Park Police - Boat slips and office

Building Summary Report (SWOT)

The following graphic is an example of the Strengths-Weaknesses-Opportunities-Threat (SWOT) analysis report that may be found in the appendix. The SWOT provides a summarized overview of each facility to facilitate recognition and decision making. The information reflected on the SWOT was gathered by the RSP i_SPACE team through physical building inspections and comments made by departments in the space needs assessment and logistics interviews.

Each of the 250+ facilities included in this project were addressed by one or more of the four strategists at either a minimal, low level (Tier 1) or at a more in depth, high level (Tier 3) as prescribed by the project scope. The SWOT provides some general information on each facility including the facility name, address, identification photo, primary occupants, and square footage; whether it is owned or leased; an overview of the pros and cons of each facility; an identification of whether parking at each facility is an issue; and the existing and projected head count and space needs of the current occupants of each facility.

SWOT - COMBINED ANALYSIS REPORT 2/13/2012 9:51:12 AM

104 ONE TEXAS CENTER
505 Barton Spring Rd
Austin, TX

Deferred Maintenance (DM)	$1,145,350		FM Type	FSD	Leased/Owne	Own
Capital Renewal (CR)	$0	DM+CR / CRV = FCI %	Year Built	1975	Lease Start	
Current Replacement Value (CRV)	$43,335,182		Square Feet	224,377	Lease Expiration	
Facility Condition Index (FCI)	0.03%		Site Area		Lease Next Option	

Strategist	Study Tier*				
Work Place	3	Building Use	Office	Observed Headcount	
Real Estate	3	Primary Department	PARD	Current Headcount	961
Operations/Maintenance	3	Other Departments		Projected 15 YR Headcount	1130
Logistics	3			Projected 15 YR Square Fee	246329

*Study Tiers: 3=Consultant Assessed; 1=City Assessed

Current Parking
issue

Site Criteria
Public Works requires 55,200 SF of parking (1 acre) at OTC.

Pros (Strengths and Opportunities)
Good location close to City Hall; easy access in and out; colocation of multiple city departments for coordination & communication; parking garage recently relamped with LED lighting; Improve departmental mix for higher efficiencies; nicer facility; parking garage; floor plate size good for office settingCritical adjacencies are being met for WPD and their proximity to the Salamander Captive Breeding Facility is good. Adjacencies work well for Public Works.Fire Dept. values the co-location with the building official, commercial plan and building code inspections staff. The downtown location is preferable for Contract Land Management.

Con (Weaknesses and Threats)
The amount of storage is negatively impacting the function of the office building; cooling tower will require replacement within the next 10 years; non-functioning lightning arrest system; HVAC chillers have exceeded useful life; live-load capacity on floors may be exceeded due to amount of files and storage concentrated areas. Over-crowded; lacks fleet service, traffic congestion; demand for office space. Need to evaluate recent space plans and determine which departmemts should relocate elsewhere. Aging infrastructure including elevators. Individual departments need additional space. Site not master planned for current use. Garage overcrowded due to multiple vehicles per occupant. Contract Management is having difficulty accommodating their storage need and the support spaces required for the bid process. Parking is also insufficient. WPD is short on space and split between 5 floors Access to conference space, particularly large conference space is a problem. Some departments have large records rooms and are considering a move to high density files. This will require structural analysis. Fire Dept. is short on space but is also interested in exploring electronic documentation options.

Comments
13-story high rise office building. Contract Management storage room on the 10th floor may be exceeding load requirements according to the SPOC. Economic Growth and Redevelopment currently on floors 1 and 13, would like to consolidate. They could leave OTC for another downtown location. WPD Administrative functions reside at OTC. HR would like to add a health clinic and Wellness Center to OTC Fire: Has a high degree of public interface with business owners, engineers, architects.

Potential Scenario

PHASE II LOGISTICS

Background

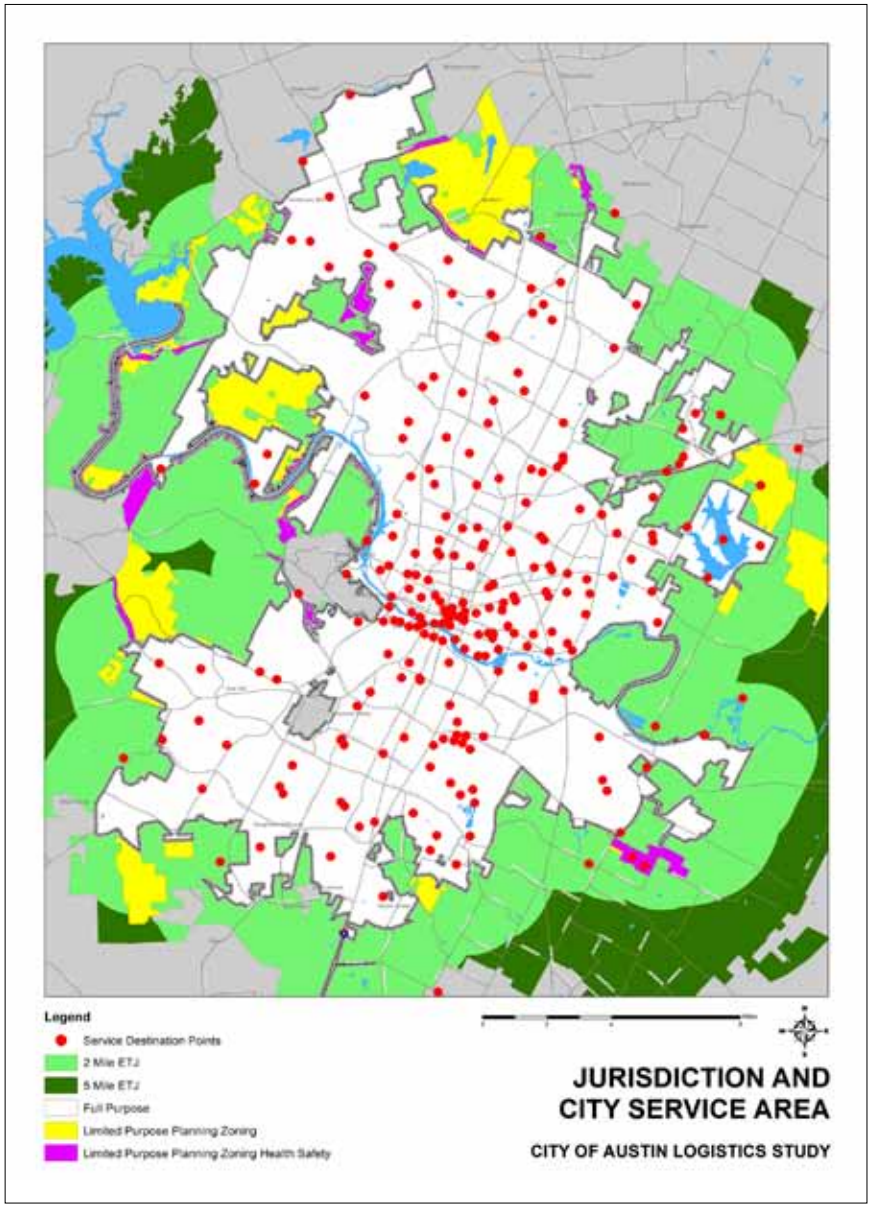
The City of Austin contracted with RSP to address logistical issues associated with the delivery of services throughout the city. Senior city staff felt the service delivery process could be improved resulting in reduced cost, improved service and overall carbon footprint reduction. The RSP approach gathers data from appropriate city organizations to determine city service crew location, composition (personnel and vehicles), and specific service areas. This data is then analyzed to determine the cost of service delivery on a crew by crew basis.

The RSP approach encompasses three phases, Phase 1, Vision, previously submitted, contained a summary of the Visioning Session conducted by RSP, executive interviews and preliminary results of the Gap Analysis survey. Results of the Phase 1 investigation guided the data collection efforts for the Phase 2 Discovery and Analysis, Logistical Assessment presented herein. In Phase 3 of the Logistic Assessment, scenarios will be modeled to determine if a more optimum arrangement/distribution of service crews can be developed that reduces travel time without placing an undue burden on service crews or reducing the level of service provided throughout the service area.

The map to the right depicts the Austin city limits and jurisdictional areas and 239 destinations that are serviced by city crews. In its broadest extent the area serviced by city crews encompasses nearly 300 square miles.

Goals and Objectives

The primary goal of the logistic assessment is to reduce the amount of travel required to deliver city services without reducing the quality of city services. In some instances it is anticipated that the quality of service will actually increase because more time will be available to provide such services. With less unproductive travel time there will also be less cost. Less travel will result in less fuel consumption, less cost associated with travel and a reduced carbon footprint. The RSP approach assesses current service crew origin points and determines if a more optimum origin point can be identified from the total supply of origin points in use citywide.



PHASE II Logistics, continued

A major objective is to reduce the number of origin points by collocating departments at sites in close proximity to fleet service locations. By collocating service crews at larger more complete city service yards additional benefits related to the increased critical mass of personnel and vehicle types, at any given location may accrue to the departments and the City of Austin. Currently most city service crew origin points host only one city department, the objective is to reduce the overall number of service crew origin points and ultimately consolidate and upgrade City of Austin work crew service yards.

Current Situation

The critical mass of personnel and equipment appear to be primary drivers in determining a department's approach to service delivery. The table below and the map to the right depicts the service crew origin points for the organizations assessed.

This logistic assessment addresses the service crews within nine city departments, representing 48 sub organizations. A total of 562 service crews depart from 41 unique locations. These locations are referred to as "Service Crew Origin Points."

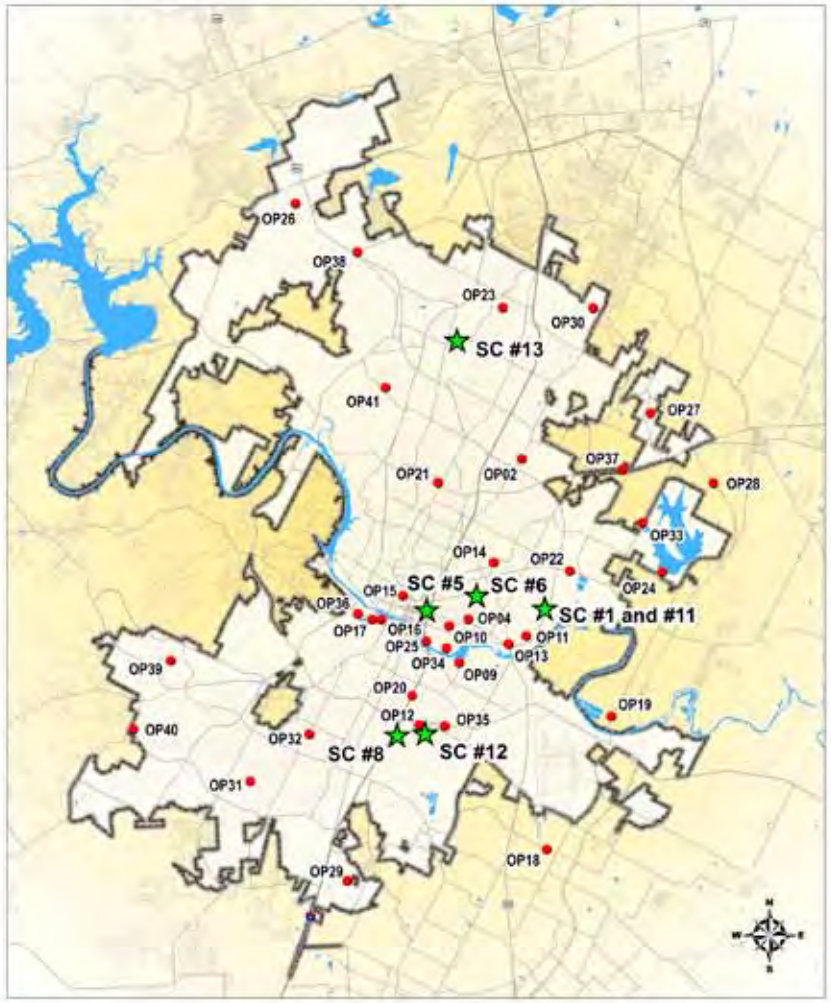
As a rule, constraints of man power, vehicle count, service area and security and safety concerns influence service crew locations. Some departments are centralized, delivering services from a common location throughout the city; others are decentralized and divide their service areas into zones.

CITY FLEET SERVICE CENTERS AND SERVICE CREW ORIGIN POINTS

Origin Point (OP)	Location
1	Service Center 6 - Hargrave
2	Rutherford Lane Campus (RLC)
3	Service Center 13 - Kramer
4	Webberville Service Center
5	Service Center 12 - Todd Lane
6	Service Center 8 - St. Elmo
7	Service Centers 1 & 11 - Harold Court
8	Service Center 05
9	Central Maintenance Complex
10	Building Services HQ - Chicon
11	Fleet Acquisition
12	Glen Bell Service Center
13	Betty Dunkerley Campus/Animal Shelter
14	Public Works Districts - Manor

Origin Point (OP)	Location
15	Rio Grande
16	Austin Transportation/Special Purpose - Toomey
17	One Texas Center
18	Landfill Office
19	Center for Environmental Research
20	South 1st Support Center
21	North Service Center - Koenig
22	Walnut Creek WWTP
23	Walnut Creek Metro - NW District Maintenance Building
24	W.E. Long Lake Metro - NE District Maintenance Building
25	Rebekah Baines Johnson Center (RBJ)
26	Anderson Mill
27	Harris Branch
28	Northeast Package Plant

Origin Point (OP)	Location
29	Onion Creek Package Plant
30	Dessau Plant
31	Davis Lane
32	Garrison Park
33	Purchasing
34	Town Lake - Fiesta Gardens Maintenance Building
35	Pond Maintenance - Ben White
36	Zilker Park
37	East Austin
38	Jollyville
39	Leuthan Lane
40	Slaughter Lane
41	Spicewood



Legend

- Green Stars = Service Center
- Red Dots = Origin Points

SERVICE CREW ORIGIN POINTS

CITY OF AUSTIN LOGISTICS STUDY

City Service Crew Distribution

City of Austin departments generally deliver services from a single location (i.e., Solid Waste), or from numerous locations based upon the presence of a number of pre-existing facilities capable of safely supporting service crews and protecting city property (i.e., Austin Water Utility). Of the 48 organizations studied 41 operate from a single location and provide services citywide. In most cases this decision is brought about by staffing or vehicle support concerns. Many departments are under-staffed and do not have the luxury of dispersing service crews to optimal locations. Having all personnel at the same location results in a degree of flexibility that would be lost if crews are dispersed. Others like Austin Water Utility, particularly Treatment and Pipeline Operations, have the critical mass and necessary infrastructure to disperse service crews throughout the City of Austin and maximize efficiency.

All Solid Waste service crews originate from the Todd Lane Service Center (Service Center 12). Todd Lane is located in the southern extent of the city service area.

Maps showing the location of the Service Origin Point for each of the nine city departments are presented on the following pages to gain spatial context for each department's approach to service delivery.

Key Terms Defined

Fleet Service Center
A location where city vehicles are serviced in some cases city service crews reside at these locations as well

Service Crew Origin Point
A location where city service crews depart daily

Destination Area
A generalized area where city service crews deliver services

Deadhead Travel
Travel from Service Crew Origin Point to the location where they begin to deliver services

BUILDING SERVICES, CODE COMPLIANCE & HEALTH & HUMAN SERVICES DEPARTMENTS

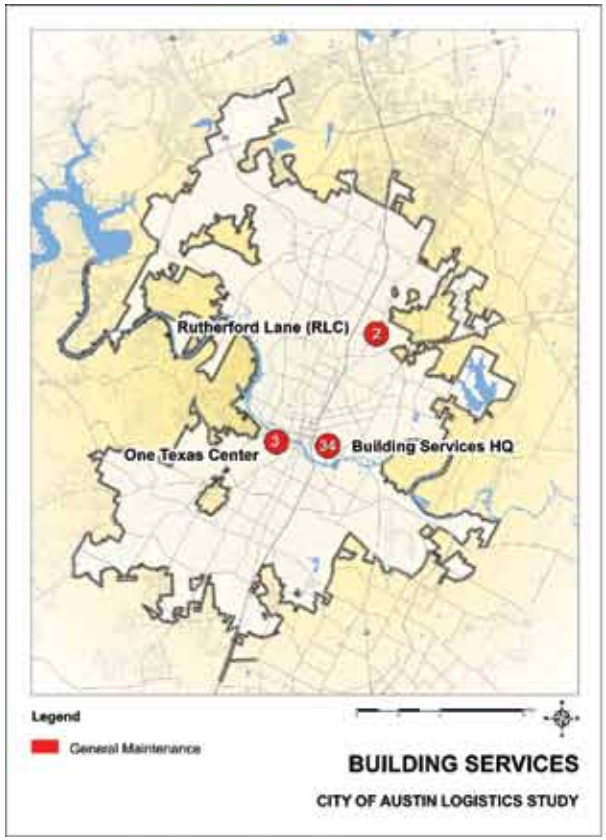
City Department	Origin Point		Total		
			Crews	PN	Vehicles
BUILDING SERVICES	**Number**	**Name**	**39**	**49**	**39**
General Maintenance	OP10	Building Services HQ - Chicon	11	11	11
HVAC	OP10	Building Services HQ - Chicon	10	12	10
Locksmith	OP10	Building Services HQ - Chicon	1	1	1
Plumbing	OP10	Building Services HQ - Chicon	2	2	2
Electrical	OP10	Building Services HQ - Chicon	4	6	4
Custodial	OP10	Building Services HQ - Chicon	6	9	6
	OP17	One Texas Center	3	5	3
	OP02	Rutherford Lane Campus (RLC)	2	3	2
CODE COMPLIANCE			**45**	**45**	**45**
Field Operations	OP02	Rutherford Lane Campus (RLC)	36	36	36
Work Without Permit (WWOP)	OP02	Rutherford Lane Campus (RLC)	5	5	5
Training/Policy Development /Special Projects	OP02	Rutherford Lane Campus (RLC)	4	4	4
HEALTH & HUMAN SERVICES			**67**	**77**	**67**
Animal Protection Unit	OP13	Betty Dunkerley Campus/Animal Shelter	21	21	21
Administrative Support Services					
Information Systems Unit	OP25	Rebekah Baines Johnson Center	3	3	3
Human Services Division Family and Youth Services	OP13	Betty Dunkerley Campus/Animal Shelter	4	14	4
Environmental and Consumer Health Unit					
	OP05	Service Center 12 - Todd Lane	6	6	6
	OP02	Rutherford Lane Campus (RLC)	33	33	33

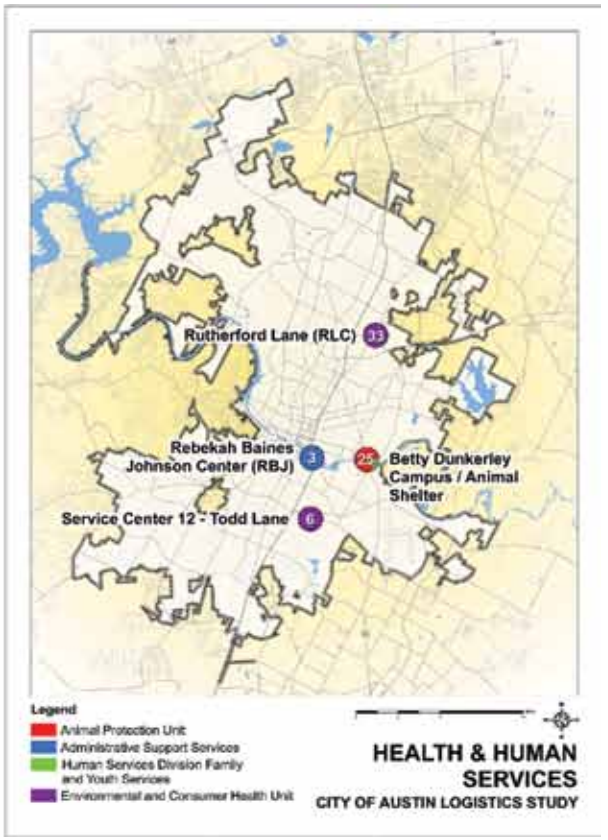
PHASE II Logistics, continued

Building Services operates from three locations and provides maintenance and custodial services on city owned buildings throughout the city.

Code Compliance delivers services from a single location, north of downtown. They deliver services across jurisdictions and neighboring counties.

Health and Human Services functions from four locations that are centrally located. They perform services across the city limits and neighboring counties.





The color of each dot represents department sub-organizations; the number in each dot indicates the number of crews assigned to that location. For example, three Building Services General Maintenance crews are assigned to One Texas Center.

PHASE II Logistics, continued

PARKS & RECREATION, PUBLIC WORKS & SOLID WASTE SERVICES DEPARTMENTS

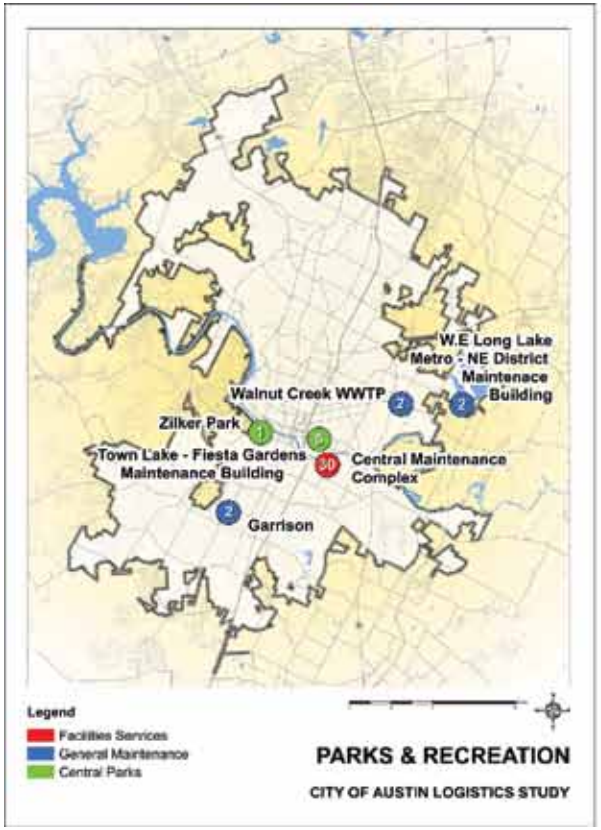
City Department		Origin Point		Total		
				Crews	PN	Vehicles
PARKS & RECREATION		**Number**	**Name**	**42**	**139**	**87**
Facilities Services						
	Preventative Maintenance	OP09	Central Maintenance Complex	12	16	12
	Construction Administration	OP09	Central Maintenance Complex	9	14	12
	Facilities Maintenance	OP09	Central Maintenance Complex	9	10	9
Grounds Maintenance						
	Northwest District	OP23	Walnut Creek Metro - NW District Maintenance Building	2	21	13
	South District	OP32	Garrison Park	2	17	9
	Northeast District	OP24	W. E. Long Lake Metro - NE District Maintenance Building	2	20	11
Central Parks						
		OP34	Town Lake - Fiesta Gardens Maintenance Building	5	30	19
		OP36	Zilker Park	1	11	2
PUBLIC WORKS				**47**	**180**	**142**
Infrastructure Management Division		OP06	Service Center 8 - St Elmo	6	9	9
District Maintenance Division						
		OP06	Service Center 8 - St Elmo	8	18	16
		OP14	Public Works Districts - Manor	11	26	21
		OP03	Service Center 13 - Kramer	6	17	14
Utilities & Structures Division		OP07	Service Centers 1 & 11 - Harold Court	13	47	34
Pavement & Infrastructure Division		OP06	Service Center 8 - St Elmo	1	22	13
		OP07	Service Centers 1 & 11 - Harold Court	2	41	35
SOLID WASTE SERVICES				**74**	**212**	**155**
Litter Abatement						
	Litter Control - Downtown	OP05	Service Center 12 - Todd Lane	11	15	13
	Litter Control - Dead Animal	OP05	Service Center 12 - Todd Lane	2	2	2
	Street Cleaning - Residential	OP05	Service Center 12 - Todd Lane	4	12	12
	Curbside Bulk Collection	OP05	Service Center 12 - Todd Lane	4	33	24
	Curbside Brush Collection	OP05	Service Center 12 - Todd Lane	4	15	13
Operations Support						
	Cart Maintenance	OP18	Landfill Office	8	10	8
Collection Services						
	Curbside Recycling	OP05	Service Center 12 - Todd Lane	15	37	25
	Curbside Trash	OP05	Service Center 12 - Todd Lane	15	64	46
	Curbside Yard Trimmings	OP05	Service Center 12 - Todd Lane	11	24	12

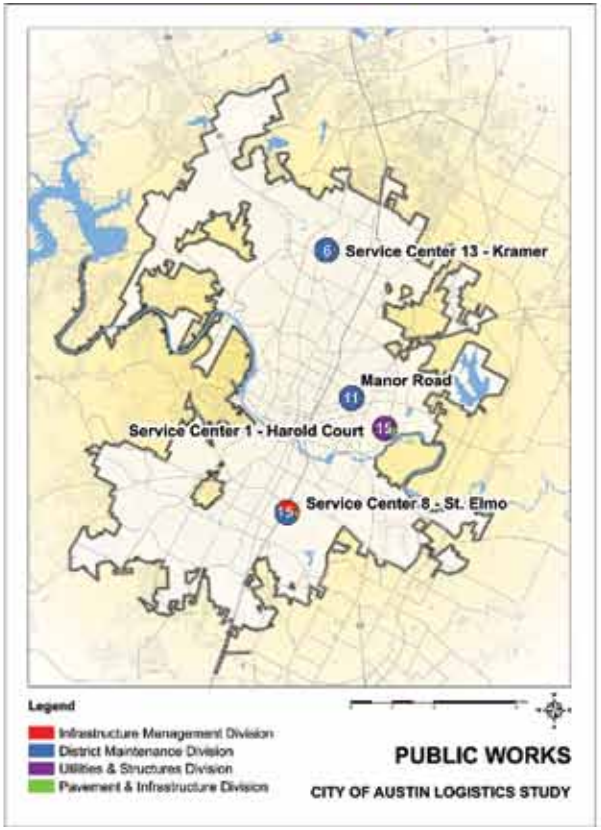
PHASE II Logistics, continued

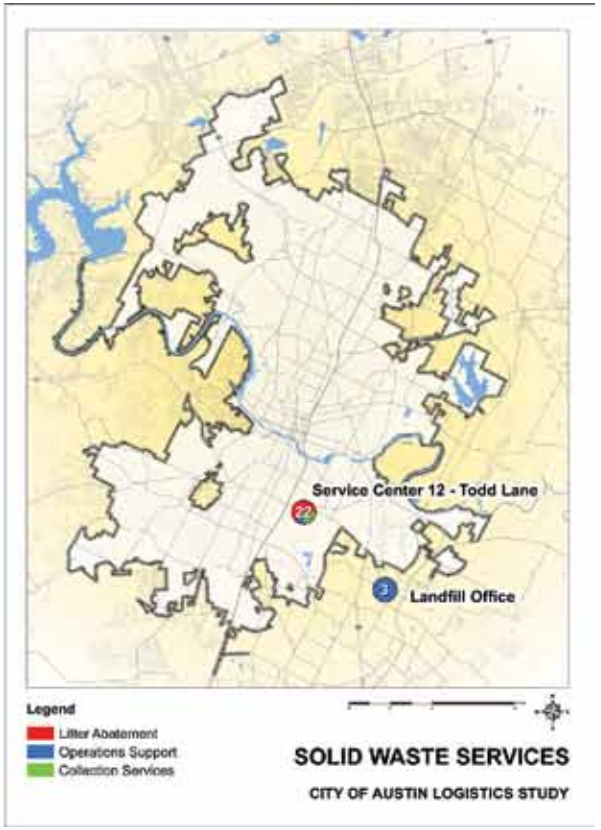
Parks and Recreation works from six origin points and services all city parks and parklands throughout the jurisdictional area.

Public Works uses four origin points delivering services beyond Austin city limits.

Solid Waste operates from two locations, however the greater percentage of crews are located at the Todd Lane facility, their service area extends beyond the city limits.







The color of each dot represents department sub-organizations; the number in each dot indicates the number of crews assigned to that location. For example in the map above two Parks & Recreation crews are assigned to Garrison.

TRANSPORTATION, WATER UTILITY & WATERSHED PROTECTION & DEVELOPMENT REVIEW DEPARTMENTS

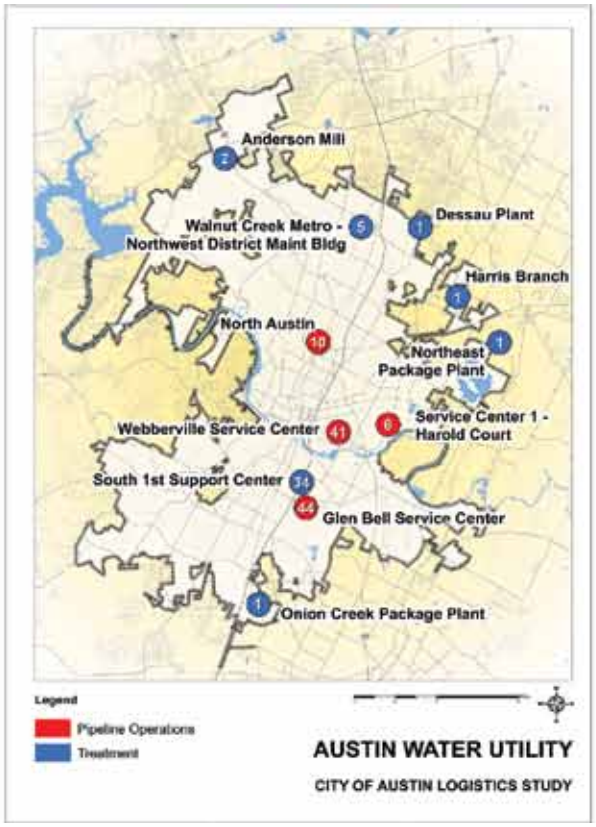
City Department		Origin Point		Total		
				Crews	PN	Vehicles
TRANSPORTATION		**Number**	**Name**	**76**	**102**	**86**
Parking Enterprise Division		OP15	Rio Grande	40	44	40
Signs		OP16	Austin Transportation/Special Purpose - Toomey	10	10	10
Markings		OP07	Service Centers 1 & 11 - Harold Court	4	19	8
Signal Operations Division		OP16	Austin Transportation/Special Purpose - Toomey	10	17	16
Traffic Engineering Division		OP17	One Texas Center	12	12	12
WATER UTILITY				**146**	**291**	**191**
Pipeline Operations						
	Collection Systems Maintenance (CSM)	OP21	North Service Center - Koenig	10	31	16
	Distribution System Maintenance	OP12	Glen Bell Service Center	36	52	38
	Construction & Rehabilitation Services (CRS)	OP07	Service Centers 1 & 11 - Harold Court	6	32	19
	Valve & Hydrant Services (VHS)	OP12	Glen Bell Service Center	8	21	12
	Collection Systems Services (CSS)	OP04	Webberville Service Center	29	57	40
	Water Meter Operations	OP04	Webberville Service Center	12	20	12
Treatment						
	Pump Station & Reservoir Maintenance Division	OP20	South 1st Support Service Center	14	18	18
	Instrumentation Control/Electrical	OP20	South 1st Support Service Center	20	39	20
	Lift Station Package Plant	OP26	Anderson Mill	2	4	3
		OP27	Harris Branch	1	3	2
		OP30	Dessau Plant	1	3	2
		OP28	Northeast Package Plant	1	3	2
		OP29	Onion Creek Package Plant	1	3	2
		OP22	Walnut Creek WWTP	5	5	5
WATERSHED PROTECTION & DEVELOPMENT REVIEW				**26**	**99**	**74**
Field Operations Division						
	Open Waterway Maintenance	OP07	Service Centers 1 & 11 - Harold Court	4	25	22
		OP03	Service Center 13 - Kramer	1	11	11
	Pipeline Cleaning & Rehab	OP07	Service Centers 1 & 11 - Harold Court	11	32	21
		OP17	One Texas Center	1	3	2
Ponds/Ladybird Lake						
	Construction/Maintenance	OP35	Pond Maintenance - Ben White	9	28	18

City Transportation crews originate from four centrally located origin points and deliver services across jurisdictional limits.

The color of each dot represents department sub-organizations; the number in each dot indicates the number of crews assigned to that location. For example, 20 Transportation Signs crews are assigned to Austin Transportation - Toomey.

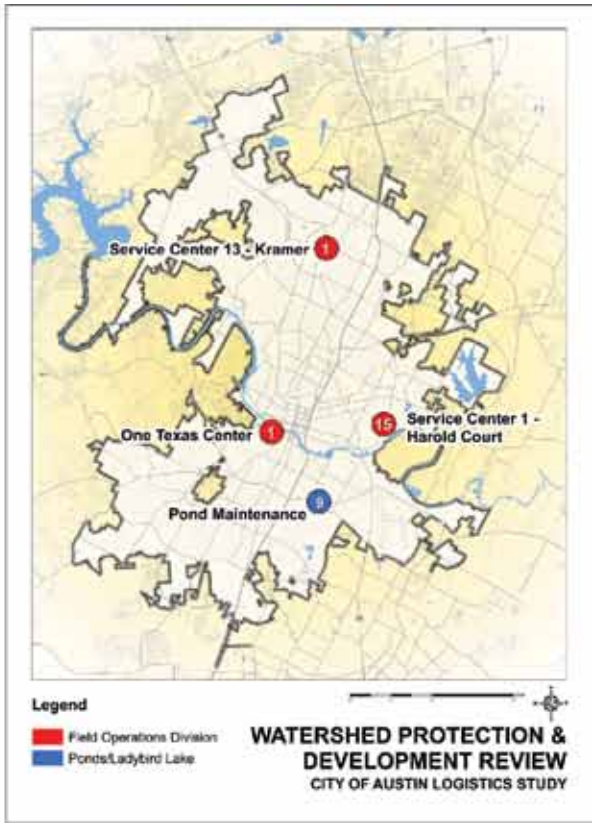
Overall city service crews originate from locations scattered throughout the city. Coverage is well distributed downtown and to the south. The area north of downtown is sparsely covered with limited opportunities to assign city service crews.

Austin Water Utility is optimally dispersed throughout the service area. Currently they occupy and deliver services from 11 locations. Crews deliver services throughout the jurisdictional area.



With site improvements, Rutherford Lane Campus (OP2), Service Center 13 - Kramer, and Service Center 21 - Koenig, could expand to accommodate additional crews. Kramer is the most suitable candidate to host additional service crews at this time.

Watershed Protection also performs services throughout the jurisdictional area. Currently their service crews originate from four locations citywide.



Koenig is a site used exclusively by the Water Utility and is operating at its current capacity. Rutherford is also at or near capacity; this facility appears to be more suited for administrative functions.

Fleet Services Department

The City of Austin Fleet Services Department is a complex organization including 100 technicians, seven Fleet Service Centers, and 32 fueling sites. The location of each Fleet Service Center is shown on the map to the right. Fleet Services procures, manages, maintains and disposes of a fleet of over 5,200 vehicles.

Additionally, Fleet Services department supports the city's goal of a carbon neutral fleet by the year 2020. More than 2,300 city vehicles, approximately 45 percent of the fleet, run on alternative fuels.

The alternative-fueled fleet includes

- More than 1,300 running on B20
- 540 ethanol vehicles
- 244 propane vehicles
- 224 hybrids
- 34 all-electric vehicles
- 7 compressed natural gas vehicles

The table on the following page lists the Fleet Service Centers and shows where the majority of each department's vehicles are assigned for maintenance and other service needs. Keeping the department crews located near these Fleet Service Centers could represent a potential savings in personnel time and help reduce the city's carbon footprint.

In the case of many departments it is imperative to be located in close proximity to Fleet Service Centers. This is particularly so, if their fleet maintenance requirements require timely service and specific expertise.

Of the 41 service crew origin points only seven offer vehicle maintenance services.

PHASE II Logistics, continued

Fleet Services Department's efforts to meet the growing demand for service to City of Austin departments have not been recognized on the part of numerous city departments. This is partially accounted for by the fact that many departments are also operating from reduced staffing levels and shortage of critical pieces of equipment. The table below presents an inventory of Fleet Service Department vehicle bays by location. There appears to be no relationship between the number of vehicles assigned and the number of service bays available.

Of the seven working Fleet Service Centers, all but Service Center 13, work multiple shifts. While this maximizes the utilization of the service bays it may have a negative effect upon the utilization of personnel. Fleet also has to contend with the fact that of the 83 service bays available for use, only a handful are right sized and suitable for the task at hand.

Fleet Services Department has determined, using the National Fleet Management Association standard, that the optimum number of service bays required for the staff they have been allotted is 168 bays. With the current practice of multiple shifts at six of the seven Fleet Service Centers, the actual number of working service bays extends to 171, but that is negated by the fact that most of these service bays are too small and are not supported by adequate lay down, storage and parking spaces.

FLEET SERVICE VEHICLE MAINTENANCE BY SERVICE CENTER AND DEPARTMENT

	Harold Court	E. 8th Street	Hargrave	St. Elmo	Harold Court	Todd Lane	Kramer	Totals
DEPARTMENT / Service Center No.	**1**	**5**	**6**	**8**	**11**	**12**	**13**	
Austin Energy	110			237			295	642
Building Services Organization	40							40
Code Compliance							39	39
EMS			137					137
Fire	71		178					249
Health & Human Services		41						41
Parks & Recreation	223			119				342
Police		902					164	1,066
Public Works	280		86					366
Solid Waste Services					193			193
Transportation								0
Water Utility	152			242				394
Watershed Protection	184							184
Waste Water	259							259
Total # of Service Vehicles by Service Center	**1,319**	**943**	**401**	**598**	**193**	**0**	**498**	**3,952**

FLEET VEHICLE TO SERVICE BAY RATIO BY LOCATION

Service Center	Vehicles Assigned	Service Bays	Ratio Vehicle/Service Bay	Shifts	Working Bays
1	1,667	25	67	2	50
5	1,323	11	120	3	33
6	407	12	34	2	24
8	996	15	66	2	30
11	213	10	21	2	20
12 Todd	0	4	0	2	8
13	721	6	120	1	6
Total	**5,327**	**83**	**64**	**14**	**171**

PHASE II Logistics, continued

Efficiencies in fleet maintenance accrue when each technician has approximately 1.75 service bays to operate. This ratio allows for a technician to break a vehicle down, order parts, and begin working on another vehicle while awaiting parts on the initial vehicle. The technician has the capability of continually bouncing back and forth between bays and other available working spaces. This standard maximizes the productivity of the technician. Working in shifts does not provide maximum leverage to service bays unless vehicles awaiting parts for one shift are moved, so the second shift technicians can use the previously occupied service bays. It is not an accepted practice for technicians to transfer vehicle maintenance responsibilities from one shift to another. It is far more efficient for the technician to complete the maintenance task he/she initiates, even if the vehicle must remain in the service bay after the shift has finished. Transferring maintenance responsibility between shifts has proven to be a suboptimal practice.

Clearly, Fleet Services Department requires more working space and lay down area then currently provided. The single greatest deficiency Fleet Services Department must overcome is lack of floor space; many times vehicles are broken down only to be reassembled prior to being repaired to gain space for the next vehicle in line for service.

VEHICLE TO TECHNICIAN RATIO BY FLEET SERVICE CENTER

Service Center	Vehicles Assigned	Technicians	Ratio Vehicles/Technician	Shifts	Working Bays
1	1,667	20	83	2	50
5	1,323	18	74	3	33
6	407	11	37	2	24
8	996	12	83	2	30
11	213	19	11	2	20
12 Todd*	0	4	0	2	8
13	721	10	72	1	6
Total	**5,327**	**90****	**59**	**14**	**171**

* Todd Lane is considered a part of Service Center #11

**Technician Allotment is 100

Fueling Station at Fleet Service Center 05

PHASE II Logistics, continued

Fleet Services Department is a critical piece of the logistical puzzle. Fleet Services Department shortfalls have a major impact upon other departments and may even affect decisions relative to the assignment of service crews to origin points. In most cases origin points that are remote from a fleet service facility, will have to allocate twice the staff to transport vehicles to a fleet service center for basic preventive maintenance and service calls. This is time consuming and wasteful, but also necessary under the current distribution of service crews to service locations.

Phase 3 actions and recommendations of this assessment will address Fleet Services Department's gaps and shortfalls by developing a conceptual plan that expands and upgrades Fleet Services Centers at several locations yet to be determined and ultimately realigns service crews to these new locations, maximizing Fleet Services Department's ability to perform timely maintenance services.

Service Crew Travel Baseline Cost and Efficiency Assessment - Service Crew Composition

To assess potential efficiencies relative to service crew travel and dead head time, a baseline was developed by determining the cost associated with the unproductive dead head travel portion of each service crew's typical work day. Deadhead travel is defined as the service crew's "commute" from their origin point each day to the location where they begin to deliver services. Service crew cost varies according to crew composition and includes both personnel and vehicle costs. Personnel costs were developed from a 2011 City of Austin Human Resources Department Personnel Pay Scale spreadsheet. An overall average rate was determined for each personnel category assessed. The rate used reflects a mid-scale pay rate for each personnel category. Personnel rates reflect hard costs but soft savings. Theoretically, if travel time is reduced personnel will have more time for productive endeavors. Either way they will be paid. Modeling can determine the time savings associated with a more optimum origin point and reduced travel time. The time savings is calculated for each crew member and presented as a means of comparison between current costs attributed at their current location with a new cost based upon a feasible realigned location.

Vehicle costs were provided by the City of Austin Fleet Services Department and reflect all costs, cradle to grave, for each vehicle assessed. This cost incorporates the following elements:

- Vehicle cost and appreciation
- Preventive maintenance
- Fuel consumption
- Insurance

These elements form the basis for a vehicle class per mile cost assessed by the Fleet Services Department to all city vehicles. For this assessment the average cost per vehicle mile by vehicle class was used. Vehicle costs are hard dollar costs and reflect hard dollar savings. Any reduction in mileage between a service crew's current location and a feasible realigned location results in a hard dollar savings that accrue to the specific department. There are also benefits of reduced fuel consumption and carbon emissions that accrue throughout the Austin area.

The travel portion of the process was developed through interviews with each department to determine service delivery areas on a crew by crew basis. The number of trips is calculated based upon a four or five day work schedule and applied to a time and distance matrix that calculates the distance between all service crew origin points and each service delivery point throughout the city. Travel costs are then derived by applying the time and distance elements to the personnel and vehicle rates.

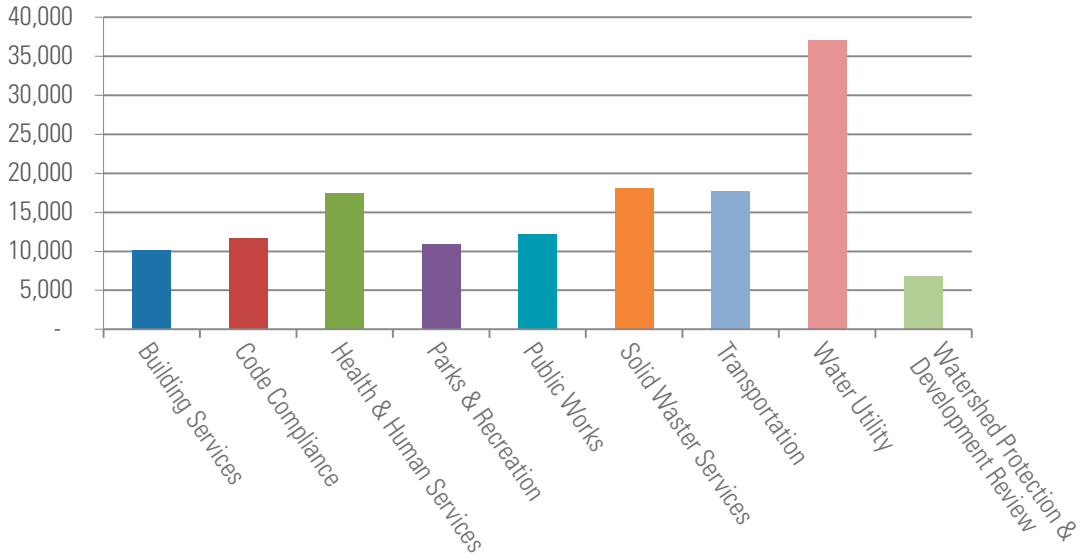
Existing Situation - Baseline Service Delivery

The table to the right breaks down city service delivery by the nine departments studied. The 562 city service crews identified complete approximately 142,000 service delivery trips annually. The bar graph below depicts the number of service trips by department. Austin Water Utility accounts for roughly 26 percent of the service delivery crews and total number of trips. For service crews on a five day work week the annual number of service trips was calculated at 260 trips, four-day, and ten-hour crews were calculated at 208 annual trips.

DEPARTMENT SERVICE CREW AND TRIP COUNTS

City Department	Crews	Trips
Building Services	39	10,140
Code Compliance	45	11,648
Health & Human Services	67	17,420
Parks & Recreation	42	10,920
Public Works	47	12,220
Solid Waste Services	74	18,148
Transportation	76	17,680
Water Utility	146	37,024
Watershed Protection & Development Review	26	6,760
Total	**562**	**141,960**

ANNUAL SERVICE TRIPS BY DEPARTMENT



Baseline Cost Summary

The citywide total cost for annual service delivery is depicted below by department. Annual service delivery travel cost is calculated at approximately $11.3 million. The average cost per trip on a citywide departmental basis is $78.93; the average trip distance is 16.72 miles. Average trip cost varies significantly as a measure of crew size and vehicle cost. These results are intended to serve as a basis for Phase 3 future scenario development, which begins at the conclusion of Phase 2. The Phase 3 objective aims at identifying optimal work crew locations based upon a number of differing future scenarios. Phase 3 attempts to consolidate existing Fleet Service Centers and Service Crew Origin Points and reduce cost and time associated with service delivery.

Average trip distance, identified below, depicts trips by City of Austin Service Crews and represents a clear indicator of the benefit of regionalization of service crews. Typically units that are regionalized reside closer to work locations and therefore travel less to deliver services resulting in more time available for service delivery activities. Because these units travel shorter distances, consume less fuel and produce an aggregate smaller carbon footprint, they are available to spend more time at the job site at less overall cost to the city.

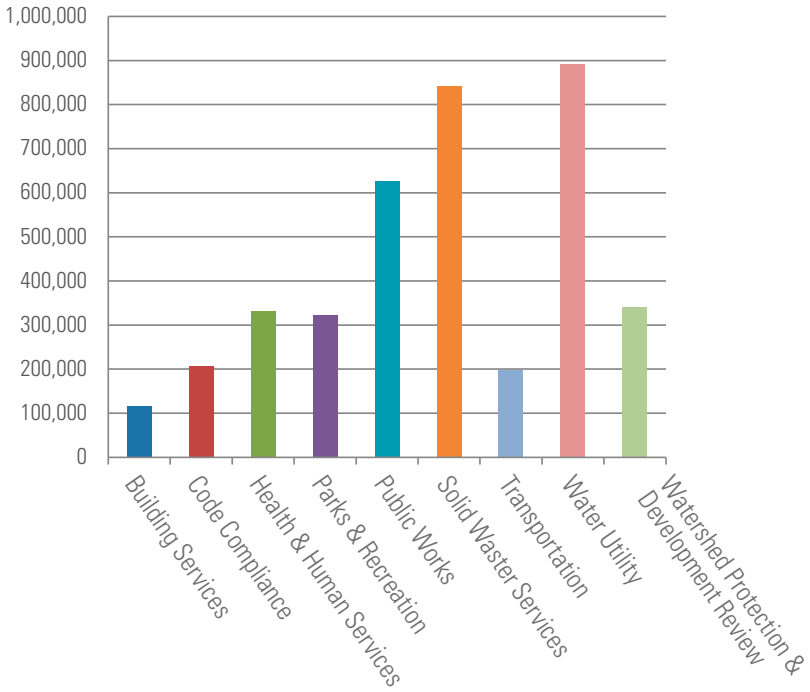
KEY COMPARISONS AT DEPARTMENT LEVEL

City Department	Origin Points	Crews	Total Miles Driven	Average Total Cost Per Trip	Average Distance Per Round Trip (miles)	Average Travel Time (minutes)	Org Total Cost
Building Services Organization	3	39	116,017	27.80	12.03	17.21	271,165
Code Compliance	1	45	207,481	24.84	18.18	25.24	285,440
Health & Human Services	4	67	331,461	35.57	18.24	25.20	552,050
Parks & Recreation	6	42	323,406	58.22	15.89	22.89	618,787
Public Works	4	47	626,726	170.95	15.93	22.28	2,088,982
Solid Waste Services	2	74	840,819	178.11	19.49	26.99	3,232,331
Transportation	4	76	198,350	50.46	11.75	16.62	654,856
Water Utility	11	146	892,425	72.20	18.36	25.34	2,665,850
Watershed Protection & Development Review	4	26	340,801	134.04	18.23	25.04	906,092
TOTAL		**562**	**3,877,486**	**78.93**	**16.72**	**23.3**	**11,275,552**

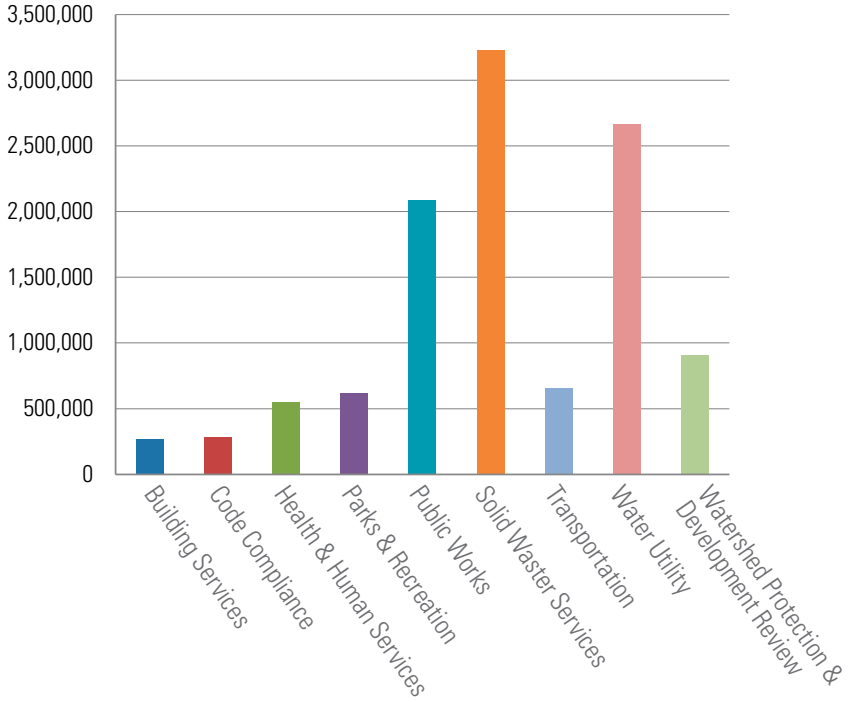
PHASE II Logistics, continued

Austin Water Utility benefits from in place infrastructure that supports regionalization. Austin Water Utility is able to locate small service units strategically throughout their service area and in many cases close to employee's place of residence. This strategy greatly reduces travel time and enhances productivity. Public Works, formerly Street and Bridge, has two organizations that also employ this strategy accruing benefits to the City of Austin. Districts and Pavement and Infrastructure have the critical mass to regionalize service crews and locate them closer to their demand for service. Districts, operates from three locations, many times with an actual deadline prescribed by the city council for project completion. Pavement and Infrastructure operates from two sites, greatly reducing their average trip distance. Of the remaining units and departments only Watershed Protection and Parks and Recreation have regionalized service locations. All other units are centralized to one location and are charged with serving the City of Austin service area from a single location. Annual deadhead miles and service delivery costs are presented below. Both miles and costs reflect an opportunity for potential savings and carbon footprint reduction.

DEADHEAD MILES ANNUALLY BY DEPARTMENT



SERVICE DELIVERY COSTS ANNUALLY BY DEPARTMENT



PHASE II Logistics, continued

The table below, and continuing on the following page, depicts estimated annual travel cost at the Department and Sub-Organizational level; 27 units are considered. Average trip distance varies significantly. Of the 27 units listed, 17 have an average trip distance larger than the citywide average of 16.72 miles. In each case, these units deliver services from a single origin point.

COMPARISONS AT DEPARTMENT LEVEL

Organization/Department	Origin Points	Crews	Total Miles Driven	Avg. Total Cost/ Trip	Avg. Distance/Round Trip (miles)	Avg. Travel Time (minutes)	Org Total Cost
Building Services			116,017	$27.80	12.03	17.21	$271,165
General Maintenance	OP3	39	116,017	$27.80	12.03	17.21	$271,165
Code Compliance			**207,481**	**$24.84**	**18.18**	**25.24**	**$285,440**
Field Operations	OP1	36	160,839	$24.06	$17.39	24.25	$223,227
WWOP	OP1	5	26,683	$25.45	20.53	28.44	$33,086
Training/Policy Development/ Special Projects	OP1	4	19,959	$28.01	19.19	26.16	$29,126
Health & Human Services			**331,461**	**$35.57**	**18.24**	**25.20**	**$552,050**
Administrative Support Services	OP1	3	18,117	$31.33	18.54	25.70	$37,347
Animal Protection Unit	OP1	21	97,990	$42.00	17.95	24.75	$229,332
Environmental & Consumer Health Unit	OP2	39	198,767	$26.36	19.04	26.35	$239,431
Human Services Division/Family & Youth Services	OP1	4	16,587	$44.71	15.83	21.80	$45,941
Parks & Recreation			**323,406**	**$58.22**	**15.89**	**22.89**	**$618,787**
Facilities Services	OP1	30	153,710	$42.64	17.49	25.01	$332,595
Central Parks	OP2	6	33,474	$45.31	6.23	9.92	$58,378
Grounds Maintenance	OP3	6	136,222	$146.03	15.30	22.26	$227,814

COMPARISONS AT DEPARTMENT LEVEL continued

Organization/Department	Origin Points	Crews	Total Miles Driven	Avg. Total Cost/ Trip	Avg. Distance/Round Trip (miles)	Avg Travel Time (minutes)	Org Total Cost
Public Works			**626,726**	**$170.95**	**15.93**	**22.28**	**$2,088,982**
District Maintenance Division	OP3	25	142,808	$93.55	10.78	16.12	$608,101
Infrastructure Management Division	OP1	6	56,020	$47.48	22.16	29.22	$74,074
Pavement & Infrastructure Division	OP2	3	227,789	$949.73	17.64	24.17	$740,788
Utilities & Structures Division	OP1	13	200,108	$197.05	22.56	30.47	$666,020
Solid Waste Services			**840,819**	**$178.11**	**19.49**	**26.99**	**$3,232,331**
Collection Services	OP1	41	412,300	$128.02	19.13	26.85	$1,364,657
Litter Abatement	OP1	25	367,512	$301.66	18.34	25.26	$1,756,842
Operations Support	OP1	8	61,007	$66.61	30.49	39.74	$110,832
Transportation			**198,350**	**$50.46**	**11.75**	**16.62**	**$654,856**
Markings	OP1	4	38,413	$291.98	18.47	24.57	$303,659
Parking Enterprise Division	OP1	40	16,394	$2.24	1.75	2.77	$18,840
Signal Operations Division	OP1	10	57,646	$76.19	15.14	21.47	$198,105
Signs	OP1	10	37,773	$26.21	14.52	20.68	$68,242
Traffic Engineering Division	OP1	12	48,124	$21.16	15.42	21.88	$66,010
Water Utility			**892,425**	**$72.20**	**18.36**	**25.34**	**$2,665,850**
Pipeline Operations	OP5	101	612,904	$75.17	17.68	24.65	$1,893,897
Treatment	OP7	45	279,522	$65.50	19.90	26.89	$771,953
Watershed Protection & Development Review			**340,801**	**$134.04**	**18.23**	**25.04**	**$906,092**
Grand Total		**562**	**3,877,486**	**$78.93**	**16.72**	**23.30**	**$11,275,552**

NEXT STEPS/LOOKING AHEAD

Next Steps - Phase III Process

This Phase II report provides the baseline assessment of information including:

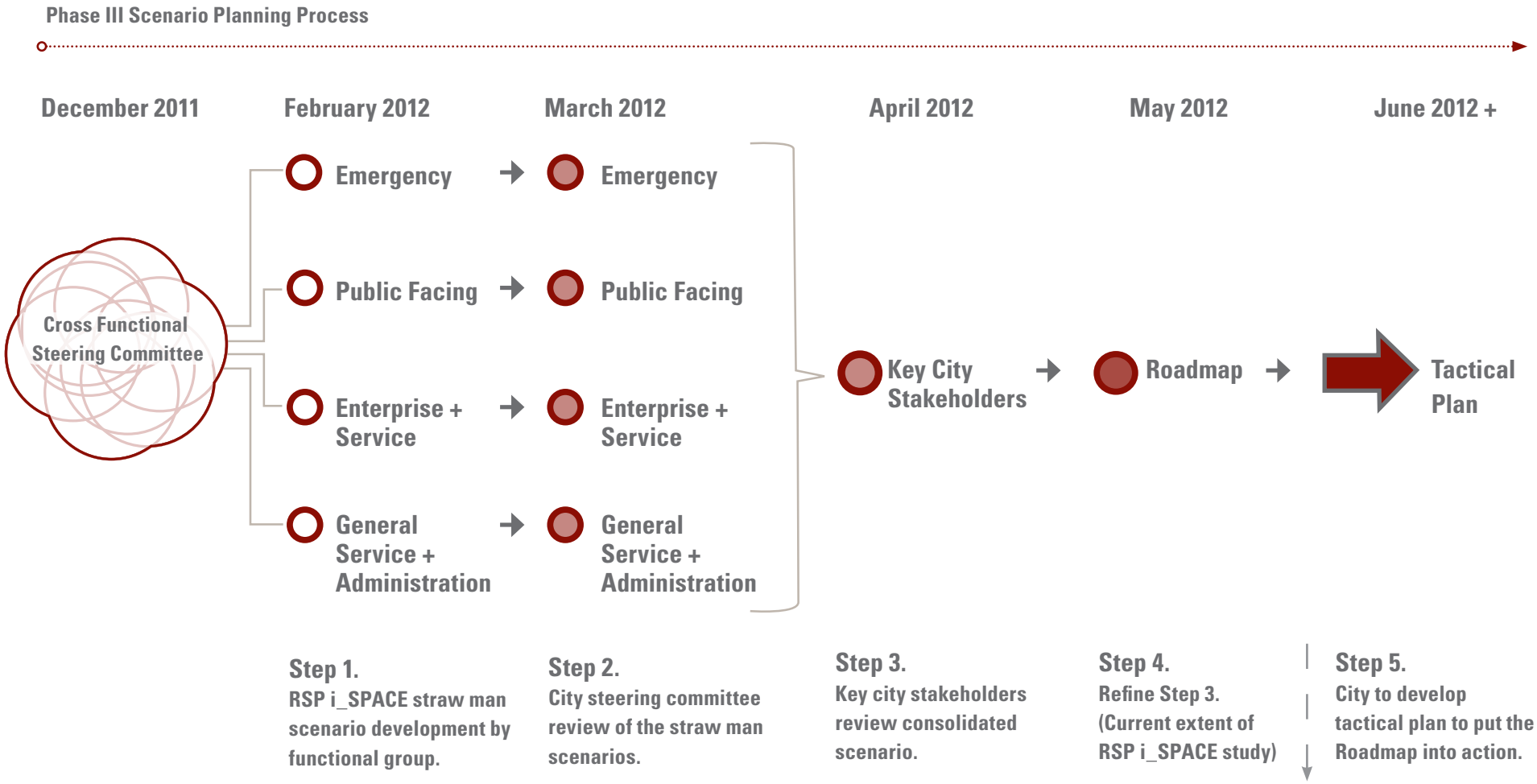
- Geopolitical influencers and the current real estate market in the City of Austin;
- Identifying facilities owned or leased by the city;
- City facility occupants, current department space usage, and department space requirements, which may be differ;
- City employee workplace satisfaction and what factors contribute to or diminish that satisfaction;
- How services are being delivered;
- Facility condition assessment and if facilities readily lend themselves to renovation; and
- Through a Gap Analysis, gaps identified between values deemed important by the city, as identified by Imagine Austin, and how close (as self-reported by department heads) the city is to the goal of meeting those values.

Closing the gaps represents how well the city is meeting its goals. The next phase of the project will help to determine the best course of action to enable the city to close those gaps. Scenarios will be developed that will identify actions with respect to the top priority facilities, as identified by the scope of work. Costs will be developed relating to each action, so that scenarios can be evaluated by cost, by how well the scenario assists the city in closing gaps, and other criteria to be developed through collaboration between the RSP i_SPACE team and the city. Recommendations will be made based upon the selected scenario(s) as well as observations made by the team throughout the course of the project.

After the validation of this report, the next step in this process is the development of straw man scenarios by the RSP i_SPACE team in collaboration with the city. The scenarios will be discussed by functional groups in order to simplify the review and analysis process. A representative group of key city stakeholders will analyze these scenarios based on the criteria mentioned above, and propose alternatives to address departmental requirements while still furthering the goals of the City of Austin.

Phase III Scenario Planning Process Graphic (following page)

The graphic on the next page illustrates the process for Phase III. The RSP i_SPACE developed straw man scenarios are represented by the white circles outlined in red. The outcome of the review/analysis by functional groups and key city stakeholders is represented by the lightly shaded red-outlined circles. The team will refine the scenarios developed, and the results will provide the basis of the Strategic Facilities and Logistics Roadmap - the darker shaded red outlined circle on the graphic. The tools used to develop the scenarios will allow the City of Austin to make agile, tactical and strategic planning decisions with respect to real estate – property and facilities – well into the future.


Phase III Scenario Planning Process
December 2011
February 2012
March 2012
April 2012
May 2012
June 2012 +
Cross Functional Steering Committee
Emergency
Emergency
Public Facing
Public Facing
Enterprise + Service
Enterprise + Service
General Service + Administration
General Service + Administration
Key City Stakeholders
Roadmap
Tactical Plan
Step 1.
RSP i_SPACE straw man scenario development by functional group.
Step 2.
City steering committee review of the straw man scenarios.
Step 3.
Key city stakeholders review consolidated scenario.
Step 4.
Refine Step 3. (Current extent of RSP i_SPACE study)
Step 5.
City to develop tactical plan to put the Roadmap into action.

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APPENDIX

Contents include

A. Citywide Facilities Map

B. Building Condition Reports, SWOT

C. Space Needs Assessment Full Results

D. Workplace Satisfaction Full Survey Results

E. Gap Analysis Full Survey Results

F. CBRE Reports

G. Austin's Largest Employers Table

H. Lease Information

I. Facility Assessments

J. Costar Austin Office Report Q2 2011

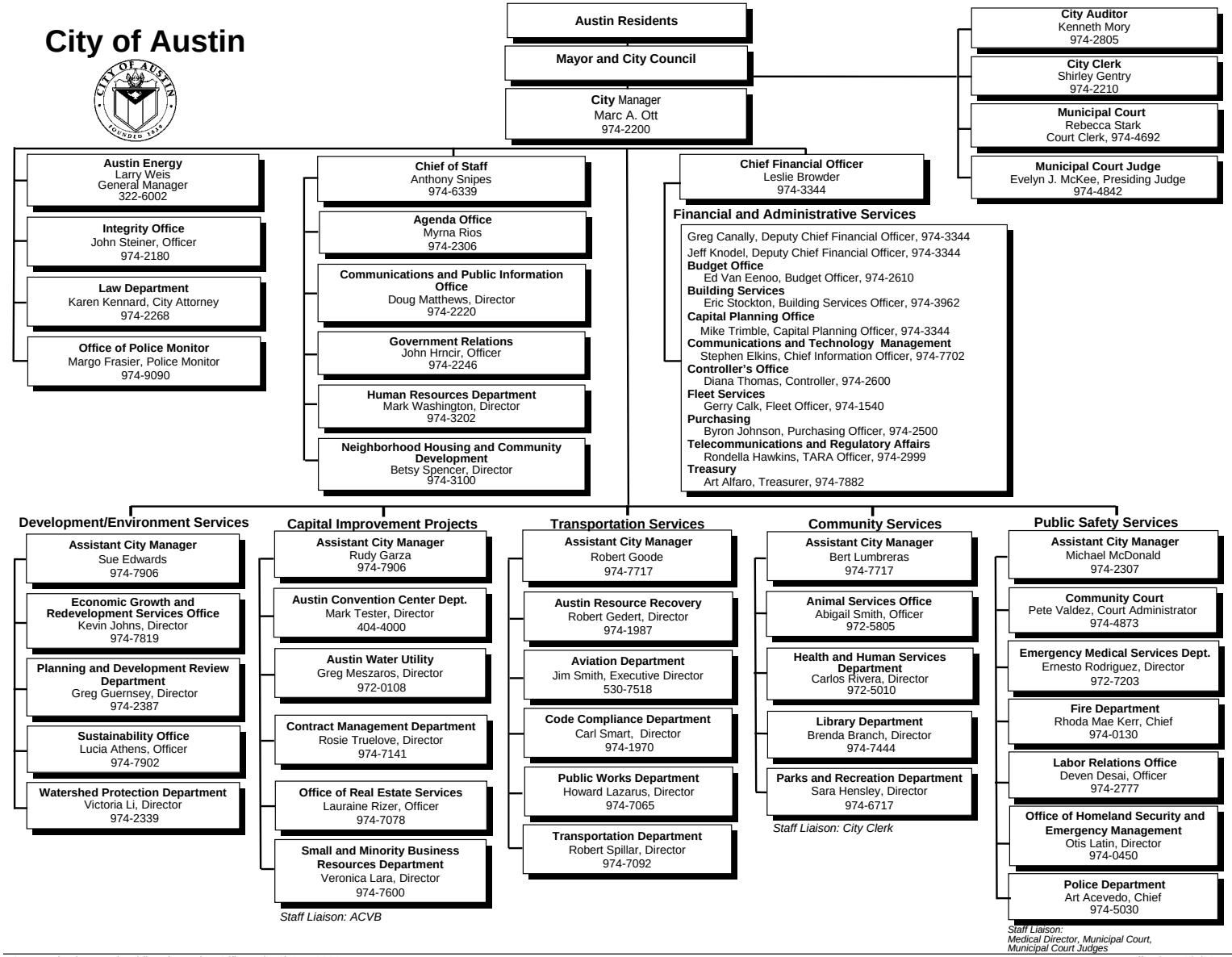
ERRATA

The Phase II Report of the Strategic Facilities Roadmap provides a baseline "snapshot" of conditions at the City of Austin at the time the data was collected, March – December 2011. Since December 2011, additional data has been provided during the issue of the initial draft publication, so this information will be incorporated into Phase III scenario planning. The additional data is provided here as a reference.

- Transportation does not occupy any space at Technicenter.
- Transportation is shown as occupying 2,500 square feet at 4201 Ed. Bluestein Boulevard (Technicenter building), but the space is actually at 6200 Technicenter.
- 1,000 square feet of warehouse space is shown at 4201 Ed. Bluestein (Technicenter building), but the space is actually at 6301 Harold Court.
- Transportation staff (17) are currently shown at 4201 Ed. Bluestein (Technicenter building), but they actually report to 6301 Harold Court.
- Parks and Recreation provided additional headcount information raising their total current and future staffing projections to include:
    - 2012 – 533 staff
    - 2017 – 591 staff
    - 2022 – 603 staff
    - 2027 – 611 staff
- Four groups located at the Rutherford Lane Campus (RLC) were not included in this study. Their department names and respective approximate current headcount include:
    - Revenue Management - 65 staff
    - Corix – 50 Staff
    - 311 Call Center – 120 staff (working in two-three shifts)
    - Police Monitor- 9 staff

During the preparation of the Phase II Report, the City of Austin also underwent a reorganization of departments. The organization chart in effect when this report was prepared is provided on the following pages, as well as the current organization chart as it provides the basis for scenario planning going forward.

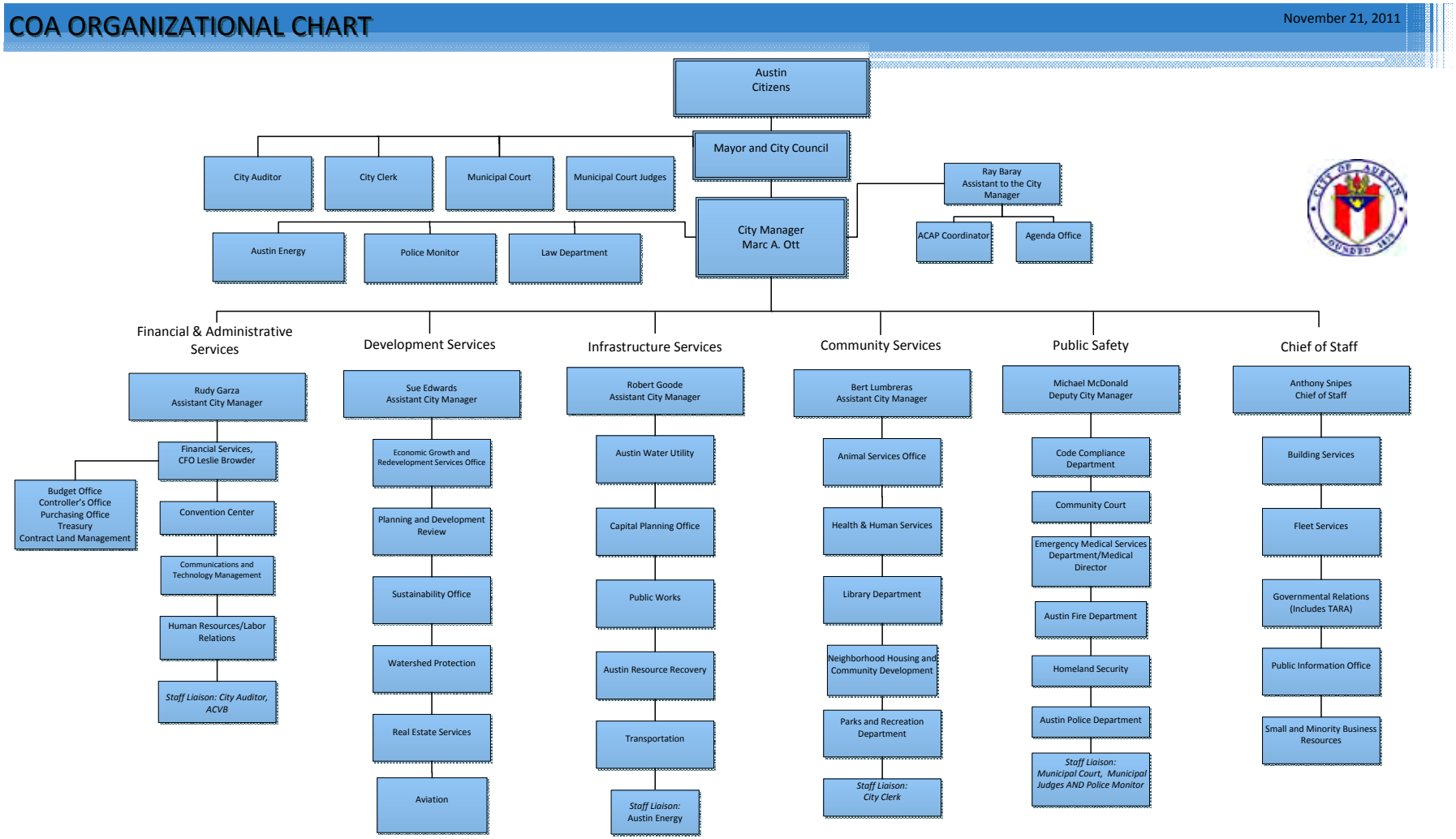
CITY OF AUSTIN ORGANIZATION CHART - 2011



Communications and Public Information Office – (512) 974-2220

Effective 10/4/2011

CITY OF AUSTIN ORGANIZATION CHART - EFFECTIVE 2012



Organization

RSPi_ SPACE

City of Austin, Texas
Strategic Facilities and Logistics Roadmap

Phase III Report: Recommendations

12 October 2012

INTRODUCTION | SETTING THE STAGE

The City of Austin contracted RSP i_SPACE to study real estate, facilities, workplace and logistics to develop a Strategic Facilities and Logistics Roadmap. This roadmap is intended to guide future facilities-related decisions, ensuring they are made in the city's best long-range interests.

The project scope included 261 facilities. To effectively use time and resources, RSP i_SPACE proposed two assessment tiers. After working with the city to prioritize facilities, it was determined 88 facilities would receive an in-depth assessment and the remaining facilities would be minimally assessed. Therefore, all 261 facilities have baseline information. Eighty-eight of those facilities have been thoroughly assessed by one or more of the team's four strategists: Workplace, Real Estate, Operations and Maintenance, and Logistics.

STRATEGIC FACILITY AND LOGISTICS ROADMAP

This project was divided into three phases:

- Phase I – Vision
- Phase II – Discovery and Analysis
- Phase III – Recommendations

Phase I - Vision

Phase I established project goals. This phase was launched with a project visioning workshop attended by leadership representing each city department. Through open discussion, we were able to begin to identify consensus areas and set the collaborative project tone.

The RSP i_SPACE team:

- Interviewed key executives employed by the city
- Researched existing literature and geopolitical influencers
- Administered a questionnaire to department heads based on *Imagine Austin* to "take the temperature" on whether the city is becoming the Austin imagined relative to the how and where work gets done

Phase I results were provided in a preliminary report and incorporated into the Phase II report.

Phase II - Discovery and Analysis

Phase II gathered and analyzed information relative to the city's real estate portfolio, delivery of services and workforce. Activities included researching emerging trends and market conditions, and assessing:

- The current condition of several key facilities
- The level of satisfaction and priorities of the existing and emerging work forces
- Projected staff growth and space needs
- Service delivery required today and in the future

These findings were summarized in the Phase II Report.

Phase III - Recommendations

Phase III developed a preliminary planning scenario (i.e. the strawman scenario) and the Intelligent Facility Forecast tool (IFF). This report supplements those tools. The RSP i_SPACE team collaborated with the city to develop an initial planning scenario and a flexible roadmap to guide future facility decisions. Because conditions are in constant flux, the roadmap must have the ability to adapt to changing conditions. The tools used to develop the Strategic Facilities and Logistics Roadmap will remain with the city so that costs, factors, and assumptions may be updated, assuring the city will retain the ability to react strategically with regard to facility planning decisions.

This report is intended to provide the city with the assumptions and background RSP i_SPACE used to develop the initial scenario, document the scenario as a snapshot in time, and guide the use of the Intelligent Facility Forecast tool so the city may make adjustments to accommodate the dynamic planning environment.

The Executive Summary presents the recommendations included in the preliminary scenario from the perspective of fifteen years out (2027) as if many of the scenario recommendations from the strawman scenario were implemented.

Report 8 COA Strategic Facilities Roadmap Properties Assessed by the Consultant

Key: WP = Workplace; RE = Real Estate; OM = Operations and Maintenance; LG = Logistics

ID	Property Description	Street Address	WP	RE	OM	LG
99	Anderson Mill	10502 Lake Creek Parkway				Y
128	Animal Shelter and Betty Dunkerley Campus (6 HHSD bldgs. A-G)	7201 Levander Loop				Y
195	Aquatics Admin. Facility	401 Deep Eddy Ave.	Y			
4	Austin Energy Purchasing (Decker)	8003 Decker Lane				Y
244	Austin Police Patrol Building	E. 8th Street	Y	Y	Y	
500	Austin Resource Recovery Campus (Future)	TBD				Y
124	Building Services Headquarters	411 Chicon St.	Y	Y	Y	Y
200	Central Maintenance Complex	2525 Lakeshore Blvd				Y
12	Chase Bank Building	700 Lavaca St.	Y			
91	City Hall	301 W. 2nd St.	Y			
302	Davis Water Treatment Plant	3500 W 35th Street				Y
103	Dessau Plant	1601 Fish Ln.				Y
285	Field Operations Facility - Ponds/Erosion (NEW)	4805 Winnebago (Planned)				Y
15	Fire Station 01/ EMS 06	401 E 5th Street			Y	
25	Fire Station 02	506 W MLK Blvd			Y	
36	Fire Station 03	201 W. 30th St.			Y	
47	Fire Station 04	1000 Blanco			Y	
54	Fire Station 05	1202 Webberville Rd			Y	
55	Fire Station 06	1705 S Congress Ave			Y	
56	Fire Station 07	201 Chicon			Y	
57	Fire Station 08 / EMS 07	8989 Research Blvd			Y	
58	Fire Station 09	4301 Speedway			Y	
16	Fire Station 10	3009 Windsor Road			Y	
17	Fire Station 11	1611 Kinney Ave			Y	
18	Fire Station 12	2109 Hancock Drive			Y	
19	Fire Station 14 / Special Operations (2 Bldgs.)	4305 Airport Blvd			Y	
20	Fire Station 15	829 Airport Blvd			Y	
21	Fire Station 16	7000 Reese Lane			Y	
23	Fire Station 18	6311 Berkman Drive			Y	
24	Fire Station 19 / EMS 08	5211 Balcones Dr.			Y	
26	Fire Station 20 / EMS Station 02	6601 Manchaca Rd			Y	
27	Fire Station 21	4201 Spicewood Sprgs			Y	
28	Fire Station 22 / EMS Station 12	5309 E Riverside Dr			Y	
29	Fire Station 23 / EMS 13	1330 E Rundberg Lane			Y	
30	Fire Station 24 / EMS Station 28	5811 Nuckols Crossing Rd			Y	
356	Fire Station 25 / EMS Station 10	5228 Duval Rd			Y	
32	Fire Station 26	6700 Wentworth Road			Y	
33	Fire Station 27/EMS Station 11	5401 McCarty Lane			Y	
63	Fleet Acquisition - Vehicle Support Services	6400 Bolm Road		Y		Y
64	Fleet Administration	1190 Hargrave		Y		Y
209	Garrison Park - South District Maintenance Office	6001 Manchaca Rd.				Y
80	Glen Bell Service Center	3907 S Industrial Dr	Y			Y
65	Harold Court Campus (Multiple Bldgs.)	6301 Harold Ct.		Y		Y

Report 8 COA Strategic Facilities Roadmap Properties Assessed by the Consultant

Key: WP = Workplace; RE = Real Estate; OM = Operations and Maintenance; LG = Logistics

ID	Property Description	Street Address	WP	RE	OM	LG
100	Harris Branch	11800 Landsdowne Rd.				Y
82	Hornsby Bend	2210 S FM 973				Y
501	Jollyville	7329 McNeil Dr.				Y
279	Landfill Office	10108 FM 812				Y
502	Lauthan Lane	5827-1/2 Terraviata Dr.				Y
157	Learning and Research Ctr, Building #4218 (6010)	2800 Spirit of Texas Dr (aka Terminal Dr.)	Y			
7	Materials Control, Mail Room	2001 E 5th St.	Y	Y	Y	
1	Municipal Building	124 W 8th St.	Y	Y	Y	
312	Municipal Courts	700 E. 7th St	Y	Y	Y	
83	North Service Center	907 W. Koenig Lane		Y		Y
101	Northeast Package Plant	10521 Blue Bluff Rd.				Y
104	One Texas Center	505 Barton Spring Rd	Y	Y	Y	Y
102	Onion Creek Package Plant	10504 River Plantation				Y
226	PARD Annex Building	919 W. 28th 1/2 Street	Y			
227	PARD Headquarters	200 S Lamar	Y			
254	Police Headquarters	715 E. 8th Street	Y	Y	Y	
8	Rebekah Baines Johnson Center (RBJ)	15 Waller St.	Y	Y	Y	Y
76	Rio Grande	1111 Rio Grande St.				Y
9	Rutherford Lane Campus (RLC)	1520 Rutherford Lane	Y	Y	Y	Y
308	Service Center 05	714 E. 8th Street	Y	Y	Y	Y
69	Service Center 06	1182 Hargrave		Y		Y
67	Service Center 13	2412 Kramer Lane		Y		Y
503	Slaughter Lane	7411 W. Slaughter Ln.				Y
98	South 1st Support Center	3616 S. 1st St.				Y
504	Spicewood	8100 Spicewood Ln.				Y
10	St. Elmo/Service Center 08	4411 Meinardus		Y		Y
274	Street and Bridge, Central District	3511 Manor				Y
85	Summit Hill Water Quality Lab	14050 Summit Drive, #121	Y			
11	Technicenter (aka: Fire Headquarters)	4201 Ed Bluestein Blvd	Y	Y	Y	
280	Todd Lane Service Center	4108 Todd Lane		Y		Y
75	Toomey Road	1501 Toomey Road				Y
233	Town Lake - Fiesta Gardens Maintenance Building	2101 Bergman Ave				Y
235	W.E Long Lake Metro - NE District Maintenance Bldg.	6614 Blue Bluff Rd				Y
88	Waller Creek Center	625 E. 10th St.	Y			
236	Walnut Creek Metro - Northwest District Maint Bldg.	1401 Cedar Bend Dr				Y
89	Walnut Creek WWTP (Multiple bldgs.)	7113 E. MLK				Y
90	Webberville Service Center	2600 Webberville Rd		Y		Y
238	Zilker Caretaker House	200 Clubhouse Road				Y

The above tables were used to organize the assessment level each site or facility would receive. Some facilities needed a more in-depth assessment by more than one strategist (i.e., Workplace, Real Estate, Operations and Maintenance, and Logistics).

Please note: While this section is discussed as though the projects are completed, the projects still need to go through the approval and budget process and may or may not be implemented.

We invite you to *imagine* Austin in the year 2027.

Effective and cost-efficient city services have been realized through Austin's facility planning efforts.

Welcome to your city in the year 2027. Austin has had a great deal of activity over the last 15 years.

Austin's Vibrant Downtown Core

The vibrant **downtown core** began to reemerge in the early 2000's, thanks to a national real estate boom and the leadership of local elected officials, and continued to grow during two national downturns. Most pundits believe this was furthered by the implementation of the Waller Creek redevelopment master plan. This master plan re-imagined space for new city offices **(Police headquarters, Police patrol, Service Center 5 and Municipal Courts)** and made way for new infrastructure. As a result, developers landed several projects, and this area re-emerged as part of the city's core, making the Tax Increment Finance (TIF) funding one of the most successful in Austin's history.

Park land and open space in this area was made possible by removing several obsolete buildings and renovating other aging facilities. Overall, Austin's downtown core benefits from open space and modern, privately-owned live, work and play activities; increased tax revenues; and citizen accolades for a highly functional project.

The city's 2012 commitment to develop a consolidated **Public Safety Headquarters** located near the downtown core gave an additional boost to Austin's vibrant core. Interdepartmental connectivity among emergency medical services, Fire and Police teams was successfully achieved, increasing community safety and satisfaction.

The city's commitment to both the consolidation of inefficient facilities and serving broader community needs prompted the repurposing of the **RBJ** building. The public-private partnership that occurred through this transaction offset cost for the city and is a shining example for the entire county.

A masterful remodel/restack of the **One Texas Center** building in 2013 improved space utilization and employee satisfaction in the city's downtown spaces. Newly established workplace standards increased flexibility and created more positive experiences for both the public and employees. A mobile work program was developed in collaboration with Communications and Technology Management (CTM) and Human Resources (HR). This new approach to the workplace responds to the way work occurs within the city today, as well as accommodates the vision for the future. With the restack of One Texas Center, city staff has been able to easily interact with the public in an environment that reinforces the value Austin places on its citizens and staff members. The concept of a one-stop shop remains the building anchor. Efficiencies realized from this new design has received praise from users and the press. Parking demand was dramatically reduced by carefully evaluating the department needs, promoting the city's alternative transportation offerings and reviewing the need for city vehicles by staff working in the building.

Town Lake Center has undergone a much needed renovation and re-stack. Functional units were relocated to the new City Administrative Campus (CAC). Town Lake Center is now a flexible, dynamic environment housing Austin Energy.

Exploring Austin

As we move away from the city's core, we can tour the new **City Administrative Campus.** With room for multiple departments, the campus houses administrative, storage, support, training and mobile work force touchdown spaces. Land for expansion and flexible building structures means this multipurpose campus was built with the future in mind. Because of One Texas Center and the new City Administrative Campus, the city was able to reduce their inventory of leased space.

City Administrative Campus is greatly appreciated by the staff for its shorter commute times and great amenities. Citizens are praising its efficiencies in design and construction.

411 Chicon, as one of the few key assets near downtown, this site was redeveloped for city administrative use, and has become part of the new urban fabric, allowing staff easy access to City Hall and One Texas Center.

The new **Municipal Court building** located just outside the urban core has also been well-received by staff and citizens. It is a well-located, model facility with easy access, parking, and nearby public transit.

As one of the few key assets near downtown, 411 Chicon site was redeveloped for city administrative use, and has become part of the new urban fabric, allowing staff easy access to City Hall and One Texas Center.

The Austin Police Department has moved to a geographic, less centralized, model as recommended by the Police planner. Response times and overcrowding issues at the North and East Substations have been alleviated. The former **Home Depot site** master planned for the Police department houses the Northeast quadrant substation and several specialty needs, including Fleet Services. New substations have also been added in the city's Northwest and Southwest sections.

Rutherford Lane Campus, once a parking nightmare and avoided by many departments, was realigned to serve a smaller group of departments; those with high vehicle use and other needs were moved to one of several re-purposed alternative locations.

As we continue to travel to the east, there is continued evidence of a city working with its citizens. Locations that were working against the city due to their functional obsolescence or logistic deficiencies were consolidated into upgraded city-owned locations. This permitted cooperative environments to exist between department staff and the citizens they serve.

Once housing the Fire Department headquarters and other departments, the aging **Technicenter** location was vacated and sold. Functions were moved to either the new Public Safety Headquarters building downtown or the City Administrative Campus.

Harold Court (Service Centers 1 and 11) was given a new lease on life with a master plan and rebuilding effort. Several departments were able to expand—realigning and adding to their crew's skill sets—resulting in stronger working relationships, as well as decreased windshield time (nonproductive driving time). This facility has also served as a consolidation site, housing staff and resources that were vacated from other inefficient sites over the last 15 years. The site location and easy access benefits the departments it hosts. The new construction activity has also renewed the neighborhood's strength.

To the south, **Todd Lane and St. Elmo facilities** have adapted to a changing environment. The two site locations (along with their neighbor **Glenn Bell Service Center**) provide exceptional freeway access and anchors the south area logistics. The fit with existing industrial neighbors, access, and logistics benefits have proven valuable to the long-term commitment to these locations. St. Elmo and Todd Lane have undergone transformations of the use and departments housed at each facility. Austin Resource Recovery (ARR) formerly known as Solid Waste Services continues to operate out of its south location and a new North Service Center. The new North Service Center reduced travel times and the fleet was able to expand to better serve customers from their primary locations.
To the north, the city council demonstrated its commitment to urban rail. A public-private partnership resulted in a major land realignment (formerly known as **Kramer Lane Service Center**). Development is now 60% completed, including moderate income housing, retail and medical offices. This is now one of the busiest stops on the line. With the connection planned to the heart of The Domain, many now see this as second core of Austin envisioned 20 years ago.

In the early stages of planning the move from **Kramer Lane**, the city looked at several sites within a one to two miles radius, including the city-owned site on **Braker Lane**. The final location allows for the major service and enterprise departments' crew and yard needs.

Several locations were considered for Austin Resource Recovery and the new **Fleet Services Headquarters.** These locations provided easier access to the landfill for Austin Resource Recovery's vehicles serving the city's northern area. Co-locating the new Fleet Services Headquarters with Austin Resource Recovery gave fleet services a more central and expanded site. Even with 98 service bays, 45 acres of yard space, office/service and touch-down spaces, room for expansion is still available today.

Through the foresight of the city's leadership, this realignment of their facilities and real estate to more effectively and efficiently serve its citizens and has allowed the city better manage both expense and capital budgets over the past 15 years. With the changes to work crews a reduction in carbon emissions was surpassed by the $2.6 million in annual savings in logistics expense. The inventorying of facility data with the interrelated adoption of real-time facility management tools, has given the city the agility necessary to react quickly to rapidly changing times.

Guiding Principles

Throughout the Strategic Facilities and Logistics Roadmap project, RSP i_SPACE focused its research, planning and forecasting efforts on what would be best for the city as a whole. The city charged the team to take a long-term view; looking out 15 years, while leaving short-term tactical planning to city staff. We worked to listen, evaluate and understand the city's needs, priorities, issues and concerns. We also incorporated global best practices in workplace, real estate, facilities, and logistics.

This section outlines the thought-process and conditions that guided the planning process. The principles outlined below are reflected in the preliminary planning scenario and the Intelligent Facility Forecasting tool. It is understood the city plans in a dynamic environment that may lead to continual changes.

The following over arching principles guided the process:

- Facilities operated by the city will be functional in the following three areas. These have been prioritized so that each is given proper regard and balanced with the other considerations:
  1. Actual use by the employees (and/or services and equipment) housed by the facilities
  2. Ability to serve the public
  3. Geographic and logistics issues necessitated by the facility's function
- While department operational requirements and issues form the foundation for facility use, city-wide requirements and issues take priority if they do not significantly impair the mission of a single department.
- Where possible, city-owned facilities and real estate should be used for the highest and best purpose. This includes using space to support private sector business and/or city-wide/citizens' goals and initiatives that are not directly related to city use.
- The way space is designed and used should improve worker satisfaction and productivity, create an experience and environment that promotes connectivity and respect, and build relationships between city employees and the public they serve.
- Consider the economic cost of operating and maintaining a facility. For example, operation costs for an older or poorly maintained building are higher than a new or properly maintained building.
- Consolidate personnel and functions where appropriate. Consolidating employees residing in multiple buildings will potentially improve administrative and communication functions, strengthen teams and enhance interdepartmental cooperation and efficiencies.
- Decisions regarding city properties and their use should consider the overall city, regional and state objectives and spatial requirements. These will include urban rail, Campo 2025, Imagine Austin, Waller Creek Tunnel project and other similar programs, partnerships and related agencies.
- Promote and build on the city's commitment to sustainability by implementing existing best practices where feasible and financially viable (i.e. LEED® certification, resource reduction strategies, site access) and serve as a model for sustainable practice for the community and the individual.

City-Wide Objectives

The overall Strategic Facilities and Logistics Roadmap objective is to provide an action plan and on-going investment strategy for the City of Austin. The plan will accommodate the needs of a growing, diverse and dynamic city, ensuring optimum functional solutions. Each asset must be viewed with consideration for its highest and best use within the city's overall vision and goals. This strategic application of oversight will require consensus between departments and city-wide objectives.

This program should be received as a long-term plan, dynamic and flexible, to be implemented to meet the needs of a vibrant and growing city. The program is in tune with the functional needs of today and the city's future objectives. We suggest these objectives be considered using following three viewpoints:

1. ***Does the facility (or real estate) adequately accommodate the employees and equipment necessary to execute the services that citizens require of the city?***

   This criterion assesses each building and its ability to function as intended. The following issues have the most evaluation impact:

   - Worker productivity
   - Logistics and access
   - Economic costs of operating the existing building
   - Public access
   - Parking

   Each building should provide efficient use of space, while creating a productive environment. **Even relatively small gains in productivity can result in financial gains that exceed facility costs.** There are many facilities in the city's portfolio that have exceeded their economic useful life (i.e., the facility is now more expensive to repair than to replace through other means). Unrepaired facility deficiencies result in inefficiencies in use. Evacuation and disposition of these facilities should be considered. Options must be considered from a foundation of providing a workplace strategy that responds to an increasingly mobile workforce and the flexible work environments required to support it. Increasingly, environments that focus on supporting work modes (focus, collaborate, meet, socialize) rather than requiring the worker to accomplish all tasks within the confines of a single assigned space are becoming normalized. In addition, evolved workplace management is now considered to be a key contributor to improving sustainability.

2. ***Is the facility or real estate being used to its highest and best purpose?***

   Our analysis considers the highest and best use for each property. We evaluate uses of city real estate based on factors beyond its current use. Among other factors, the analysis considers future planning actions such as urban rail, low and moderate income housing, housing for the elderly and forward-looking zoning and planning issues unrelated to current property use.

   For example, the city has endorsed urban rail. There are several properties in the city's portfolio that might be better committed to supporting urban rail expansion than their current use allows.

   Another example is the Waller Creek Redevelopment plan. Through this plan, the city created [and then supported through Tax Increment Financing (TIF)] a vision of urban renewal. The current use of the city facilities located in the Waller Creek District do not fulfill the district's redevelopment goals to generate taxable facilities to pay for the district's capital expenses.

Recommendations | City-wide, continued

3. ***Does the facility support and encourage the vision and goals of the city as a whole rather than on a department by department basis?***

   Holistic planning will facilitate the city's vision as it pursues functioning at its most efficient level. To do otherwise creates an approach that will inevitably prove to be counterproductive. Areas such as operational efficiencies, interdepartmental relationships and functional issues must be elevated to create a greater good. While one location may be considered superior for a single department, an alternative location may prove most desirable when combining groups of employees to positively impact working relationships and operating efficiencies.

Additional Objectives

- Recognize and plan for significant challenges identified in the space needs assessment, interviews, and facilities condition assessments. Challenges include facility obsolescence; geographic property misalignment with population centers; overcrowding, and documented requirements for facilities renovation and upgrades.

- Avoid remodeling or updating buildings to meet current standards where cost to repair and remodel exceeds current building value.

- Work environments need to serve the current and future way of working. Workplaces have evolved unintentionally versus being planned, and are lacking flexibility. Many departments have decentralized over the years and should be re-consolidated to reacquire enhanced functionality.

- Departments need to be relocated to facilities with adequate parking, and new facilities should be planned with adequate parking as a program requirement. Sites featuring multi-model transportation options should be given preference, particularly when supporting administrative and public facing (where citizens interact with staff in-person) functions.

- Based on increased demand for space in key facilities, the city's commitment to sustainability, and the results of the Workplace Satisfaction Survey, city facilities should be designed to maximize workplace flexibility and mobility.

- File storage is a city-wide concern. An in-depth review of city-wide storage requirements is warranted, asking all departments to consider off-site and electronic storage requirements along with other possibilities.

- Public-facing departments must, to the extent possible, be consolidated for administrative functions and regionally positioned to best serve the public.

- Co-location among departments should be encouraged. City planning should incorporate the expressed recommendations by Health and Human Services and by Parks and Recreation for partnership

opportunities. Several departments have already implemented location partnerships with state, local and non-profit entities.

- Provide facilities that positively engage and foster customer-to-civil servant relationships, as well as provide safe environments for employees and customers.

- Improve facility design to maximize human capital and fleet service turnaround time. This will require locating facilities to streamline services, reduce windshield time, and accommodate more vehicle storage.

- Improve fleet services capabilities and capacities by offering additional services in-house. These might include body and paint shops and hydraulic shops.

- Increase workplace flexibility by consolidating administrative and operations staff. Improve interdepartmental collaboration by co-locating those consolidated staff within service centers, and including conference, hoteling and training spaces.

- Support the city's sustainable values by strategically locating alternative fueling stations.

Considerations

With the objectives discussed previously, the next step addresses specific considerations. While there is much greater detail gathered to support this information in our research and prior reports, from both building-by-building and department-by-department basis, the following issues and considerations are noteworthy.

Functionally Obsolete buildings

Within the portfolio, there are buildings that no longer function properly for economic, structural or other reasons. The following are the most significant:

- The Police Headquarters Building is aging and functionally obsolete (atrium design does not support departmental connectivity, inhibits functional workplace layout and is an energy-inefficient design). Additional capital investment will not add substantial improvement or functionality.

- Technicenter, currently a 36-year-old facility, is in poor condition with nearly $800,000 in deferred maintenance. The building will be over 50 years old within the 15-year planning horizon. Additionally, there is concern that the realignment of Highway 183 will encroach upon this site.

- RBJ was originally designed as a clinic. The cost to remodel to create functional office space would most likely exceed the cost to move to another location. This property is located adjacent the Austin Geriatrics Center, which is currently developing a master plan that may potentially include this site, thereby offering potential alternatives to future site usage by the city.

- Multiple fire stations have been identified that should be replaced within the near future due to age, inefficiency and non-functionality.

- Some specific facilities have been identified (EMS and fire stations) as outdated in terms of gender workforce composition.

- Facilities used by several departments, especially Parks and Recreation, were not designed as workplace environments. For example, existing houses and mobile homes are being used as office space.

- Inadequate and/or poorly-configured vehicle maintenance bays have rendered some of the fleet service centers functionally obsolete.

Highest and Best Use Considerations

One of the stipulated guiding principles is seeking the highest and best use for a property, along with capability of facilities and real estate to advance other city goals and objectives. There are several sites impacted by this issue:

Waller Creek Redevelopment

The Waller Creek Tunnel Project and associated area improvements are part of a Tax Increment Financing (TIF) project designed to stimulate private sector development. This project impacts Police headquarters, the Municipal Court building, Police Patrol Building and Service Center 5 which will need to relocated in support of the district's vision.

Urban Rail

The urban rail focus and development the city has encouraged by economic and sustainability initiatives and the City of Austin Preferred Growth Plan drive development density decisions. There are several sites in the city portfolio that need to be strongly evaluated in this concern. These include Service Center 13 (Kramer Lane) and Justin Lane.

RBJ

RBJ has outgrown its current usefulness. It provides an ideal expansion opportunity for a neighboring property seeking to develop a long-term strategy for moderate-income housing for the elderly.

Strong Geographic Sites

There are several portfolio sites with a strong geographic location or logistics function. However, they require major building and site redevelopment or a total site re- master plan. The most significant are Service Center 8 St. Elmo, the former Home Depot site and Service Center 1 and 11 Harold Court. Service Center 13 Kramer Lane would also be considered if it were not so closely located to an urban rail station, which supports city wide transportation goals.

Departmental Concerns

Categorized below are comments that were repeated by multiple departments during the interviews and discussions with department and other leaders. The information collected through these comments was incorporated into the analysis, option development and future facility requirements.

Geographic and logistics requirements of users

- Regionalized training centers
  - Current centralized training facility takes people off duty to go to one location
  - Reduce significant drive time to meetings
- Centralized and regional storage warehouses
- Geographic dispersion of employees sometimes compromises business practices
- Allow for critical adjacencies to other departments
- Optimize storefront locations throughout the region to properly tailor services
  - Many facilities are not in the areas they serve
- Facilities house other entities: state, county, non-profit/highly collaborative with other non-profits
- Public transportation nodes are important

Functional requirements for office users

- Planning standards that are flexible to accommodate a variety of work modes (focus, meet, socialize, collaborate) and programs and anticipate future workplace changes
- Allow for workplace/workspace flexibility
- Adapt to "work from anywhere/anytime" mentality for appropriate staff. Create a mobile work program (working with Human Resources and CTM)
- Increased acoustical privacy

Recommendations | City-wide, continued

- Adequate employee, customer, and service vehicle parking
- Evaluate and accommodate storage needs and consider technological upgrade for record storage
- Develop and respond to an in-depth understanding of the needs, challenges and frustrations in high-demand public/staff interaction space
- Internal and external training and seminar rooms

Other buildings/considerations

- Align with long-term growth plans for departments or groups that have specific growth expectations
- Provide secure parking areas for city-owned and personal vehicles
- Facilitate public transportation options for employees and vendors
- City of Austin continues to grow resulting in a huge service area, large inventory of land
- Moving towards multi-functional facilities/special needs recreation center demand is growing
- Consider and encourage co-location with other departments/offices can be located anywhere
- Overcrowded work environments are common
- Consolidated administrative functions are desirable
- Flexible growth strategies should be built into facilities

Functional requirements for service crews

- Align service crews with logistics best practices requirements
- Strive to minimize "windshield" time and decrease carbon footprint
- Consider consolidation of origin points where prudent
- The city's service area is expanding to areas out of city limits, straining infrastructure needs
- Severe shortage of fleet service bays causing delays in service time
- Improve access to parking and fueling for fleet
- Provide adequate outdoor parking and storage facilities
- Logistics observations reveal need for central facility and a few small satellites
- Fleet services multipurpose room for large meetings and training
- Co-locate specialized services with fleet services

Understanding the Financial Model/Assumptions

When reviewing the financial results, it is important to understand the assumptions used to create the building blocks for financial information. Both the Austin market and national standards were researched in the following areas:

- New build construction costs
- Operating expenses
- Lease rates
- Remodeling costs
- Land sales
- Building sales and capitalization rates
- Demolition and remediation costs

The research goal was to inform realistic comparisons of potential actions, **not to create building by building appraisal data**. From the research, we created basic modeling numbers assigned to each action item depending on the circumstance. Again, the goal was to create a consistent comparison of actions, not recommend final budget numbers or declaration of value.

The basic financial numbers were categorized between several areas, including geography (core, urban, suburban, *see definitions on the following page*) and building type.

In the financial reports, there are several "lease exit" actions. For those actions, we show a total amount of lease payments for 15 years as a "benefit" or income to the city. This is contrasted to the "build or buy" actions where we show the total capital we have modeled for that action. While the build/buy capital will benefit beyond the study's 15 year time frame, we limited the numbers to the report's time frame. The goal was to appropriately view the capital inflows/outflows in the model.

In the real estate marketplace, all properties are unique and it is difficult to compare one to another without a full appraisal of a given, individual asset. Our research reflects a working range, from which we fashioned a "modeling" number that best fit the Austin market for a selected action type. For example, land sales in the urban market range from below $15.00 per square foot to more than $25.00 per square foot. Based on this information, we used $20.00 per square foot for our model. It is important to keep in mind that we have NOT attempted to appraise or value any action step, we only used the model number for comparison purposes. This process was the basis for all market-driven components of accumulated database numbers, including rent, purchase and sale, building costs and remodeling costs.

The numbers used for building size or land size were based on records available to the team for existing properties, extrapolated by expected head count or by using industry standard comparisons.

The Intelligent Facility Forecast tool is set up so that these modeling numbers can be changed at any time to reflect changing circumstances. Additionally, a special area has been established to create customized numbers if additional research is conducted to individualize a property.

Recommendations | City-wide, continued

The following was used as a guideline to determine which area a property was assigned in the financial modeling.

CORE: An area some refer to as Central Business District (CBD), and for the purposes of this study potentially larger. The boundaries are Ladybird Lake to the south, the north side of the Capital Complex area, Interstate 35 to the east and Lamar Street to the west. The area around One Texas Center and the Austin Energy buildings could be considered by some to be part of this as well.

URBAN: This is the first ring outside of the core area, and two criteria were considered here; historic development and geographic borders. The areas that were developed prior to the 1960's would be a good starting point, while the borders of Mo-Pac to the West, Ed Bluestein to the East, E. Ben White to the South, and E. Koenig Lane to the north would be the geographical borders.

SUBURBAN: The ring of all locations outside of the urban boundaries.

RECOMMENDATIONS | LOGISTICS

The Logistics section presents near- and long-term scenarios to improve efficiencies for Austin's service crews and fleet services operations. The scenarios present logistical opportunities and constraints facing service crews assigned to nine city departments and to fleet services, an organization responsible for the on-going operation and maintenance of city service vehicles, as presented in Phase II.

The service crew scenarios are designed to optimally distribute crews throughout the service area to reduce travel time and improve service delivery. The scenarios for fleet services address shortfalls between its existing assets, particularly service bays, and existing and future requirements.

In the near term, the realignment of service crews could potentially accrue savings of over $2.6 million in travel costs annually.

The scenarios presented in this section range in complexity from modest reassignments of service crews to new facility construction. They address facility deficiencies and geographic realignments made necessary by a shift in population densities and demand. In the long-term, implementing a new fleet services complex could provide the city with additional savings and increased efficiencies. Perhaps by co-locating with a new resources recovery hub and with additional realignment of personnel, services and vehicles the city will realize inherent efficiencies associated with consolidated services and right-sized facilities.

Finally, this section identifies an ideal geographic area for an expanded fleet services campus. Using Geographic Information Systems software (ERSI's ArcView Network Analyst) in concert with the service crew model, the optimal location for an expanded Fleet Services Complex was determined to be north of the city's central core and south of Kramer Lane, between Balcones Drive and Interstate 35.

A primary logistic's goal is to identify implementable strategies and recommendations to increase service crew and fleet service efficiencies and address current facility shortfalls, as well as future requirements.

The objectives of the Logistics section are to:

- Develop strategies to minimize service delivery cost, while maximizing service quality and ease
- To provide quantifiable and defensible justification to support capital improvements designed to right-size and equip service yards and services centers in anticipation of growing demands, shifting population centers and responsible environmental stewardship.

City of Austin Population Growth

The population projections shown in the table to the right were extracted from the City of Austin Population and Household Forecast by Zip Code report 2008. With the aid of the city's demographer, the population was updated to align with the 2010 U.S. Census. The 2010 U.S. Census population for the City of Austin is 790,390. In April 2012, the population is projected to reach 824,205 and top one million by the year 2025. The year 2011 experienced an unusually high annualized growth rate of 2.74%, future projected annualized growth rates range between 1.50% and 1.75%.

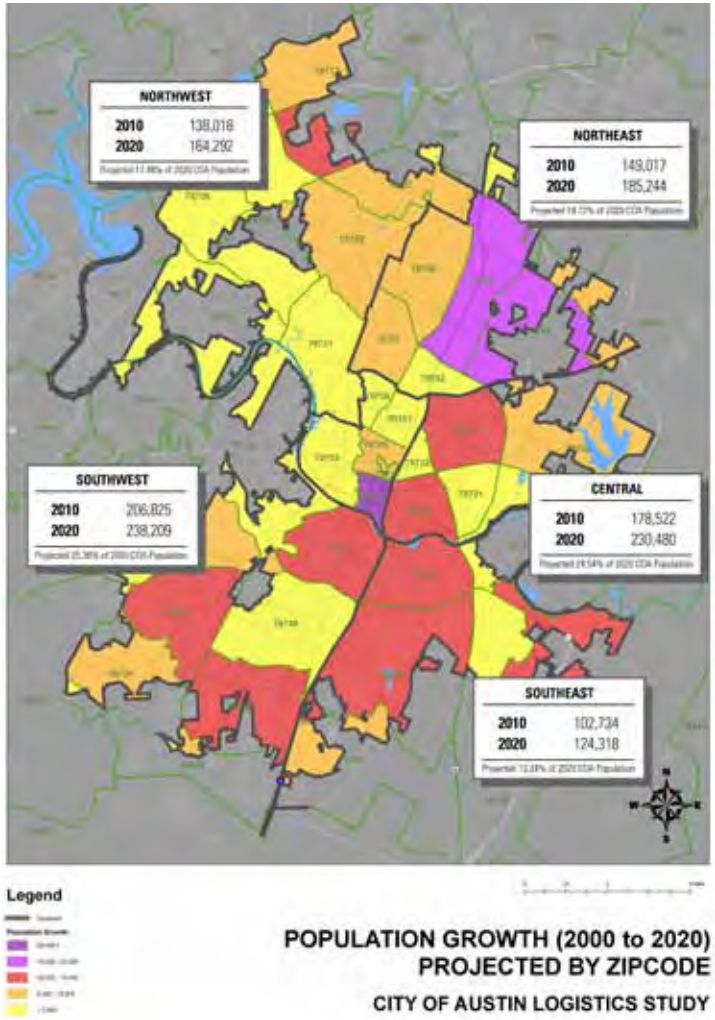
By far, the greatest area of growth is in the central core—downtown and East Austin. Areas of particular high growth concentration include the following zip codes: 78701, 78702 and 78723 (central core); 78753 and 78754 (northeast); and 78704 (southwest); and 78741, 78744 and 78617 (southeast). A map of the City of Austin population growth projected by zip code from 2000 to 2020 follows.

Interstate 35 (I-35) divides downtown Austin from East Austin—this area is referred to as the central core and is bounded on the north by Highway 290 and to the south by the Colorado River.

CITY OF AUSTIN CURRENT AND PROJECTED POPULATION BY SERVICES AREAS

		Population					
Service Area	**Zip Codes**	**2010**	**2012**	**2015**	**2020**	**2025**	**% of City of Austin Population**
CENTRAL							
Downtown	78701, 78703, 78705, 78751, 78756	85,030	88,668	101,767	113,116	119,273	12%
East Austin	78702, 78721-25	95,555	99,642	114,759	117,364	134,499	13%
NORTH							
Northeast	78660, 78752, 78753-54, 78757-58	152,445	158,967	173,221	185,244	203,018	20%
Northwest	78613, 78717, 78726-32, 78750, 78759	141,071	147,108	147,238	164,292	172,565	17%
SOUTH							
Southeast	78617, 78719, 78741-42, 78744, 78747	105,044	109,538	112,594	124,318	131,962	13%
Southwest	78652, 78681, 78704, 78733-36, 78738-39, 78745-46, 78748-49	211,245	220,282	216,526	238,209	253,772	25%
Total		**790,390**	**824,205**	**866,105**	**942,543**	**1,015,089**	

Source: City of Austin Population and Households Forecast by ZIP Code Updated Forecast, Ryan Robinson, City Demographer, City of Austin, Planning Department, February 2008. Additional update provided January 2012. Data extrapolated by consultant.



North Austin is defined as the area north of Highway 290: North Austin is divided into Northwest and Northeast. South Austin is bounded on the north by the Colorado River. I-35 divides South Austin into Southwest and Southeast.

In general, it is anticipated that 24.5% of the city's population will reside in the central core, 37% will reside north of Highway 290; while 38.6% of the population will reside in south of the Colorado River.

For analytical purposes, the origin points associated with service crews have been segregated into the same geographic boundaries as the population map.

Planning Scenarios

Planning scenarios for department service crews and Fleet Services were developed independently and are discussed separately in this section.

Department Service Crews

The planning objectives for service crew scenarios are to identify strategies and recommendations to reduce the amount of travel required to deliver city services without reducing the quality of city services. To achieve these objectives a model was developed to replicate service crew travel. Optimal origin points were determined through modeling the activities of 562 city service crews—service crews that depart every weekday from as many as 41 unique crew origin points and travel to over 240 generalized destination areas.

Service crew travel baseline costs (personnel costs plus vehicle costs) were determined to be $11.6 million annually. The baseline assessments for departmental service crews are the benchmark for near- and long-term service crew scenarios.

In each case, the scenarios are compared to the baseline situation as developed in Phase II. The elements of the comparisons include:

- Origin points
- Crew distribution
- Travel costs
- Potential savings

For example, the baseline for service crews assigned to Code Compliance is as follows: 45 Code Compliance service crews originate from one location (crew

distribution); Rutherford Lane Campus (origin point). The travel costs to provide Code Compliance services from this location total $285,440 annually.

The baseline is then compared to the optimal near-term scenario. The optimal near-term scenario is primarily selected by cost. The intent is to select a scenario with the lowest travel costs and the most potential for cost savings.

In this case, the model ran five scenarios for Code Compliance. Code Compliance Scenario 5 was determined to be the most advantageous from a cost comparison perspective. Scenario 5 retains 20 service crews at Rutherford Lane Campus and distributes 15 crews to Service Center 8 – St. Elmo and 10 crews to Service Center 1 – Harold Court. This scenario results in travel costs of $209,669 and potential savings of $75,771 annually.

What is interesting about this scenario is that savings were realized because Code Compliance service crews were departing from three geographically diverse origin points – Rutherford Land Campus is located in the Northeast; Service Center 8 – St. Elmo is in the Southeast; and Service Center 1 – Harold Court is in East Austin. *See Population Growth map on previous page for service area designations.*

Similar, yet more dramatic results occur with Austin Resource Recovery. Currently, 66 litter abatement and collection services crews depart from Service Center 12 – Todd Lane while eight cart maintenance crews depart from the Landfill Office on FM 812. By dispersing the litter abatement and collection services crews among three origin points: Service Center 13 – Kramer (located in the Northeast), Service Center 12 – Todd Lane (Southeast) and Service Center 1 – Harold Court (East Austin) the scenario results in potential savings of $1.1 million.

Department	Potential Savings $
Building Services	0
Code Compliance	75,771
Health & Human Services	57,426
Parks & Recreation	49,112
Public Works	318,590
Austin Resource Recovery	1,106,885
Transportation	97,596
Austin Water Utility	754,957
Watershed Protection	170,652
Total Potential Savings	**2,630,990**

While the model can accurately and consistently generate travel costs and crew distributions, *it cannot determine the feasibility of implementing such actions from an organizational or operational perspective.* The scenarios are intended to stimulate discussions among managers and to identify some commonalities among actions and results. In the examples described above, the commonality was the distribution of service crews to the north, south and center.

Near-Term Scenario

In addition to potential savings in service crew travel costs, the realignment of service crews also results in a significant reduction in annual miles driven. This reduction in miles driven has positive benefits to the city's sustainability and carbon footprint reduction objectives.

The near-term scenarios are intended to be readily implementable with a planning horizon of five years or less. In addition to identifying potential travel cost savings, the scenarios identify actions and commonalities that may provide justification for long-term actions.

Long-Term Scenario

The long-term scenario for department service crews depends on the execution of other actions, such as the construction of a new fleet services campus and the relocation of Austin Resource Recovery.

Logistics Service Crew Realignment

The following tables summarize the potential annual travel costs savings and potential reduction in annual miles driven that could be accrued due to logistical service crew realignments.

Preliminary calculations by the City of Austin Office of Sustainability indicate the carbon footprint reduction associated with these realignments could conservatively equate to a reduction of over 500 cubic tons of carbon emissions.

LOGISTICS SERVICE CREW REALIGNMENT

Annual Travel Cost Reduction

Department	Baseline Travel Cost (Personnel & Vehicle)	Preferred Scenario Travel Cost	Travel Cost Reduction ($)	Travel Cost Reduction (%)
Building Services	271,165	271,165	0	0.00%
Code Compliance	285,440	209,669	75,771	26.55%
Health & Human Services	532,649	475,223	57,426	10.78%
Parks & Recreation	607,537	558,425	49,112	8.08%
Public Works	2,088,982	1,770,391	318,591	15.25%
Resource Recovery	3,022,610	1,915,725	1,106,885	36.62%
Transportation	651,425	553,829	97,596	14.98%
Water Utility	2,657,543	1,902,586	754,957	28.41%
Watershed Protection	906,092	735,440	170,652	18.83%
Total	**$11,023,443**	**$8,392,453**	**$2,630,990**	**23.87%**

Annual Miles Driven Reduction

Department	Baseline Miles Driven	Preferred Scenario Miles Driven	Miles Driven Reduction	Miles Driven Reduction (%)
Building Services	116,017	116,017	0	0.00%
Code Compliance	207,481	150,534	56,947	27.45%
Health & Human Services	324,150	275,436	48,714	15.03%
Parks & Recreation	315,866	291,219	24,647	7.80%
Public Works	626,726	519,968	106,758	17.03%
Resource Recovery	762,712	491,316	271,396	35.58%
Transportation	193,907	180,210	13,697	7.06%
Water Utility	887,986	625,678	262,308	29.54%
Watershed Protection	340,801	275,592	65,209	19.13%
Total	**3,775,646**	**2,925,970**	**849,676**	**22.50%**

PLANNING SCENARIOS -- Continued

Fleet Services

City of Austin Fleet Services currently operates from seven service centers located throughout the city. From these service centers, Fleet Services personnel service approximately 4,000 of the 5,327 fleet vehicles annually. Fleet Services has a shortfall of adequately designed service centers and right-sized service bays. According to industry standards, Fleet Services requires 175 service bays, they currently have 83 bays. This shortfall is mediated in part by operating two and sometimes three shifts at each service center. The most expeditious way to alleviate this shortfall is through new construction.

To address shortfalls, Fleet Services plans to establish a centrally located Fleet Services Campus to include Fleet Services administration, training facilities and more robust vehicle maintenance capabilities. In this scenario, strategically-located and refurbished satellite service centers continue to provide department-specific specialty work and general repairs.

Long Term Scenario Details

The long term scenario for both departmental service crews and Fleet Services involve new construction and the closure of some existing facilities. Details of the actions associated with the long-term scenario are outlined in the table following.

The centerpiece of the scenario is the construction of a new Fleet Services Campus to include:

- Main shop includes 48 double-length, drive through maintenance and repair bays (the equivalent of 96 standard bays, 48 light bays, 48 heavy bays), central parts room, quick lube facility, training and conference space, and administrative spaces.
- Operationally, Fleet Services to expand capabilities to include, for example body and paint shop, hydraulic shop, etc., thus reducing need for commercial services in accident repairs and hydraulic repairs.
- Fleet Acquisition "make ready" function (commissioning and decommissioning units) and CTM wireless functions to relocate within the Fleet Services Campus.
- The city-wide customer base to remain the same. Units will be reassigned from current facilities to new facilities based on customer proximity and type of service required.
- Site to include a multi-fuel fueling facility in close proximity to major transportation arteries – fuel options to include BioDiesel, unleaded gasoline, E85, propane, and compressed natural gas with public access.
- Site to include parking for 500 fleet units and 150 employees.

It is anticipated that the site will accommodate a new Fleet Services Campus as described above, as well as elements of Austin Resource Recovery.

FLEET SERVICES LONG-TERM SCENARIO

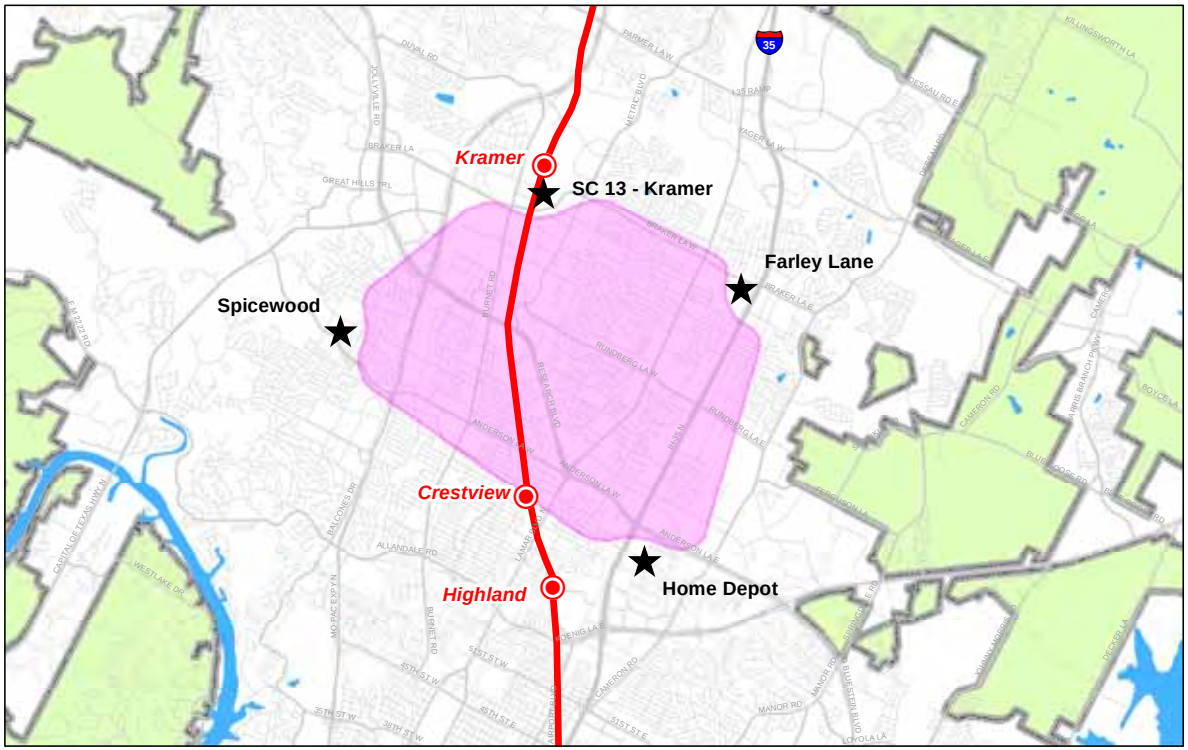
Service Center Description	Proposed Action	Details
New Fleet Services Campus Locate in new location (to be determined)	Construct a new Fleet Services Campus. Fleet Services administrative headquarters, training and conference center, full-service vehicle maintenance capability, co-locate with Fleet Acquisition "make ready" and CTM wireless functions. Possibly in proximity to Austin Resource Recovery.	84,000 SF 98 Bays
New Service Center Locate adjacent to new NW Police Substation	Construct new Service Center. Provide routine, quick fix maintenance for police vehicles assigned to NW Substation and downtown and northern stations. Major maintenance, repair and "make ready" services will be performed at the New Fleet Services Campus (see above).	9,560 SF 12 Bays
Service Centers 1 & 11 6301 and 6301B Harold Court	Combine and Renovate Service Centers 1 & 11. Space in Service Center 11 to become heavy equipment section for Service Center 1. Combine management functions.	28,520 SF 30 Bays
Service Center 5 714 E. 8th Street	Vacate and sell. Assume that the Police Headquarters and Service Center 5 will be closed and property sold. Service Center 5 functions will relocate. Major police vehicle maintenance and "make ready" function will occur at the new Fleets Services Campus. Minor and quick fix functions will occur at a new service center built adjacent to the new NW Police Substation.	(12,936 SF) (11 Bays)
Service Center 6 - 1182 Hargrave Lane **Fleet Services Administration** - 1190 Hargrave Lane	Close and sell property. Reassign vehicles to New Fleet Services Campus. Move Fleet Services administrative functions to New Fleet Services Campus.	(15,375 SF) (12 Bays)
Service Center 8 - St. Elmo 4411 Meindardus Road	Retain Service Center 8 and expand service bay capacity from 15 service bays to 25 service bays.	25,620 SF
Service Center 12 4108 Todd Lane	Fleet Services to expand into Todd Lane facility upon the relocation of ARR collection vehicles. Service center to expand from 4 service bays to 12 service bays.	7,900 SF 12 Bays
Service Center 13 2412 Kramer Lane	Close service center and realign vehicles to New Fleet Services Campus.	(6 Bays)
Fleet Acquisition - Vehicle Support Services CTM Wireless 6400 Bolm Road	Relocate Fleet Acquisition "Make Ready" function to New Fleet Services Campus. Relocate CTM wireless function to New Fleet Services Campus.	25,326 SF

Site Selection

Long-term planning scenarios for both departmental service crews and fleet services involve new construction and the selection of a new site.

Determining the optimal geographic area for a new complex is a critical first step. Using ArcGIS Network Analyst and building on the matrix developed to characterize and quantify service crew travel, the logistics team began doing "what if" drills to determine the most advantageous service crew origin points from a travel cost reduction perspective. Through mapping and tabular data it was determined the optimal location for a northern service center facility lies in a geographic area located north of Highway 290 and south of Kramer Lane; and east of Spicewood and west of Farley Lane. Not surprisingly, it is an area located in the center of the northern portion of the city. See map on this page.

The population projections presented on page 2 of the logistics report show that 62% of the city's population resides north of Lady Bird Lake. Current growth projections confirm that this pattern of service delivery will continue throughout the planning horizon.



POTENTIAL NEW SITE
CITY OF AUSTIN LOGISTICS STUDY

To gain the greatest value of this report and tool (The Strategic Facilities and Logistics Roadmap) it is imperative that the city focus on the long term and operational implementation of the roadmap. Without this focus the true value of the project will not be achieved. There are several priorities that need to have an immediate focus and funding. The proper implementation of the roadmap and these priorities will allow the city to create a financially focused strategic Real Estate and Facilities operation that will be fully aligned with the city's overall objectives.

Strategic Focused Real Estate and Facilities (RE&F) Department

Recommendation: Reorganize and restructure City of Austin real estate and facilities operations to centralize and aggregate all related functions under the control of a single department.

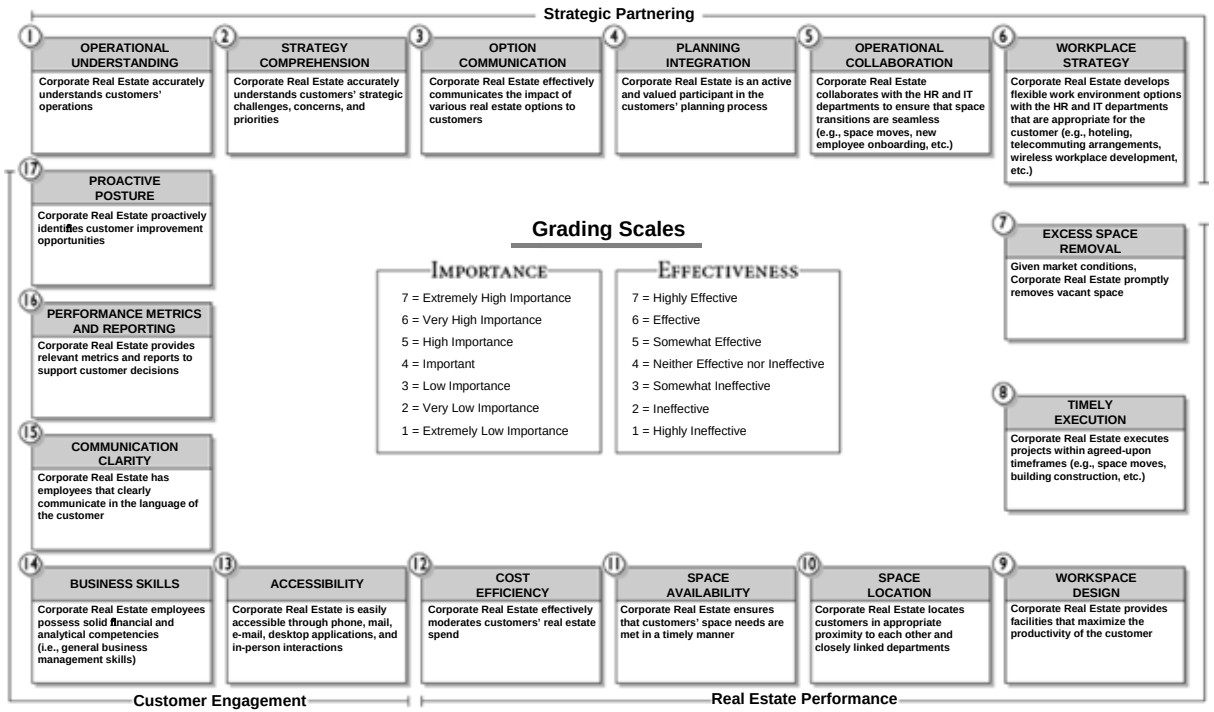
For the last 10 to 15 years the focus and function of real estate and facilities has moved from reactive to strategic. In the past Real Estate and Facilities were separate departments that were order takers and reactionary servants. This has grown to find the best organized organizations today have moved to a centralized function characterized by partnering and strategic initiatives that support the goals and objective of the entire organization. The Real Estate Executive Board (REEB) detailed out many of these issues as far back as 2008 in their Corporate Real Estate (CRE) organizational study that has become an important document in the industry. The overall results are summarized in the following four key findings:

- ***Key Finding #1:*** Companies continue to move towards more centralized real estate models with an increasing presence of primarily centralized models.
- ***Key Finding #2:*** Customer Relationship Management remains an increasing focus for CRE executives as CRE functions look to strengthen relationships with business units to support corporate strategy.
- ***Key Finding #3:*** Outsourcing continues to play an important role in CRE organization structures. Companies cite the ability to quickly scale the real estate organization up or down to provide flexibility in support staff to manage fluctuating work volumes, improved focus on corporate strategy, and cost control as primary benefits to a heavily outsourced model.
- ***Key Finding #4:*** The CRE organization is changing into a more integrated function to support company-wide strategic initiatives that require cross-functional collaboration for objectives of increasing priority, such as alternative workplace strategy (AWS) and sustainability.

Findings two and four are especially relevant for the City of Austin as it considers implementing a long term strategy that allows for the city's overall objectives to be properly integrated with the individual department needs, orchestrated by a strategic partnering from the Real Estate and Facilities department.

Step one for the City of Austin would be to organize the Real Estate and Facilities department as one group supporting the individual departments by partnering as their strategic implementer of real estate and facility needs. On the following page is a chart from REEB showing the priorities of a well-focused facilities and real estate department.

Building a Customer-Focused Real Estate Organization



Source: REEB, *Business Alignment Benchmarking, Identifying Gaps Between CRE Effectiveness and Customer Priorities,* Washington D.C.: Corporate Executive Board 2004, p. 7.

As seen in the graphic to the left, building a customer-focused real estate organization involves integrating **Strategic Partnering, Real Estate Performance and Customer Focus.** The expectation is that an organization is continually held accountable to these elements balanced between their importance and how effective they are in executing each element.

The fundamental mission for this department would include strategy, planning, oversight, control, budget administration and accountability for all City real property, land, buildings and facilities. As designated steward for each facility, this department would perform all oversight activities required to build, operate, and provide repairs, maintenance, alterations, demolition and programming for future buildings and support structures. City employees residing in these properties would be internal customers to be served, but would not be tasked with duties for operation and care. All financial responsibilities for city real property would be assumed and executed by the Real Estate Department in accordance with annual budget activities.

For a description of industry best practices and the full Real Estate Executive Board (REEB) report supporting the above recommendation, see Appendix "CRE Organization Trends."

While there are many possibilities in the detailed organization structure the following provides a general outline of a potential structure for the City of Austin's facilities and real estate.

Reporting Structure | **Facilities and Real Estate**

Integrated Workplace Tools

The City of Austin like many municipalities and other organizations has left the use of today's technology to departments other than the Real Estate and Facilities. The Real Estate and facilities department needs to evolve into a modern workplace in the use of technology and tools. The FM Systems Integrated Workplace Management System (IWMS) recently implemented is a good start to this. It is a start that needs continued implementation. The integration into the system of all buildings and all elements is something that is needed not only on a one time basis, to gather all the initial information, but also on an ongoing basis to track changes as they are made. The proper input and use of the IWMS system is one that will allow for savings in planning and strategy, as well as ongoing savings as day to day changes are made in the workplace. As experienced mangers know you cannot measure what you do not know and the IWMS system allows for the knowledge to make both strategic and tactical decisions in the most efficient manner possible.

Workplace Standards (WPS)

With the potential of numerous changes to the portfolio it is important to have created prior to these changes appropriate workplace standards. This is best done by creating a senior level steering committee to participate in the development, review and evaluation of Workplace Standards.

A list of objectives and/or mission statements to be accomplished in the development of Workplace Standards needs to be set. Examples include: Improve connectivity and encourage formal and informal communication, incorporate sustainable principles into our day-to-day practices, etc.

Next establish a scope for workplace standards. The depth and detail can vary. At a minimum the standards should include:

- Overall planning and utilization philosophy
- Common space design with metrics for assignment (conference rooms, hotel spaces, informal collaboration, fitness centers, training rooms, work rooms, break areas and cafeterias, assembly spaces, lobbies, specialty areas)
- Personal workspace assignments and configurations
- Exceptions process
- Workplace standards can also include more detail such as finishes, data/ electrical assignment, lighting
- Research space utilization benchmarks for utility and corporate office environments
- Interview real estate partners (HR, IT…) regarding the current challenges and future needs for the work environment

Mobility Program

A mobility program will identify which types of jobs can be effectively performed in remote or alternative workplaces. To be effective mobility programs require engagement by Business Unit leaders in defining performance standards and metrics. It requires involvement from the HR and training department in ensuring appropriate training is available to the employees selected for mobile work and for their managers. In addition, it needs to include providing standards for the mobile works in "touch down" and collaborative spaces for the time that will be spent in the corporate facilities. This process should begin with the following steps:

- Create a survey to define the roles that could be considered for mobile/remote work places across the city workforce
- Identify the performance metrics that will be applied to those working remotely
- Define the type and timing of interaction at the corporate office
- Plan new workplaces to accommodate "touch down," collaborative, and conference room space
- Provide a communication and training plan to engage all of the organization in the program

OUTCOMES

Public Safety Outcomes

Police, Fire and EMS administrations will have a near downtown presence. This was a priority particularly for Police and File. The team supports this position particularly considering the number of public events and festivals hosted in the city's central business district. By locating senior leadership and headquarter functions downtown and other non-headquarter functions at urban/suburban locations, Police, Fire and EMS will be able to achieve the downtown presence desired while:

- Reducing costs by relocating support and administrative staff to less expensive real estate at the new City Administrative Campus
- Meeting parking demand
- Gaining efficiencies through co-location of warehouse functions at the City Administrative Campus (which was identified as a concern by both EMS and Fire)
- Promoting interdepartmental collaboration, cited as a chief concern in the gap analysis.

The Downtown Headquarters site will provide each department a separate, secure location; however, sharing certain functions such as a small conference center is one of many efficiencies that may be achieved.

Emergency functions should experience improved flexibility and functionality, while controlling real estate costs. The Public Safety Campus will improve overall flexibility and functionality through shared amenities, such as a training center, adequate parking, streamlined operations through co-location (warehouse adjacent EMS administrative staff) and improved interdepartmental connectivity.

Fire and EMS stations in critical condition will be addressed. Consultant-assessed Fire and EMS stations are addressed based on the Facility Condition Assessment (FCA) findings.

Fire and EMS stations will be planned to meet under served areas and anticipate the future. The Fire and EMS network will be expanded by 10 new stations; locations have been identified by EMS.

The North Substation will house one sector, instead of three, as it was originally designed. The new NE Substation and NW Substation will reduce the overcrowding in the North, and provide the Austin Police Department with better coverage of the North side of the city. A new NE Substation will be added to address the most immediate needs

The Austin Police Department will move to a more secure position relative to their mounted patrol facility. A new mounted patrol facility is recommended as a near-term project due to the tenuous position the city currently holds, with the existing location being leased and for sale.

Administrative Outcomes

Critical interdepartmental adjacencies and improved functionality at the department level will be enhanced through consolidation. Consolidated departments are positioned where they can grow with projected headcount, be adjacent to the other departments they work with, and, in some instances, be centered around a one-stop shop. Departments that have a demonstrated need for proximity to the one-stop shop are located together. Projected growth and consolidations within One Texas Center are accommodated while improving the work environment.

Outcomes, continued

Consolidated departments are relocated to suburban or urban locations such as the proposed City Administrative Campus. These actions have reduced the demand on One Texas Center. Strategic departments have been retained or moved into One Texas Center. Beginning with One Texas Center, a new workplace standard is recommended for the City of Austin. This standard responds to current work flow and can evolve over time in a coordinated manner.

Parking will be appropriately located and available. This is particularly true with respect to parking solutions for large administrative buildings, especially those in urban areas. Some issues will be addressed through policy (i.e., all city vehicles will park on the parking ramp's top level.)

The use of Class A office space for storage will be eliminated. Well-organized hard copy archive locations are provided off-site and electronic document storage is encouraged and supported.

Public Facing Outcomes

Functionality of some departments will be improved through consolidation and co-location. Public works, contract management and small minority business will be consolidated in One Texas Center renovated to meet new City of Austin standards. Public works and contract management will no longer be in multiple locations, achieving efficiencies in the remodeled and more efficient One Texas Center. Small minority business and contract management, which have an important adjacency requirement, will be relocated in closer proximity and, as a result, will benefit from closer interdepartmental collaboration.

Customers will experience an enhanced interaction with the city. A Municipal Court facility will meet the required program and be better able to support its function.

Alignment with city redevelopment plans will be accomplished. As a result, the Municipal Court facility will be relocated and RBJ will be exited to accommodate the Austin Geriatrics Center Master Plan.

Alignment of services with consumers will be enhanced by expanding the Montopolis Neighborhood Center, increasing service capacity in an under served area.

Enterprise Services Outcomes

Existing properties are being used to their highest and best use. Properties such as Jessie Street and Toomey Road, that are located in developing areas have been considered and, in some cases, sold.

Resources are being allocated to realize greater efficiency. Service Centers have been consolidated and, in some cases, expanded to accommodate planned staff headcount increases.

Improved interdepartmental collaboration, due in part to co-location of departments, is occurring. This is particularly evident within the Service Center environment.

APPENDIX

Contents include

A. Integrated Workplace Management System (IWMS) [Space & Lease Inventory, and mid-level Facility Condition Assessment]

B. Integrated Facility Forecast (iFF) database [Property inventory, recommended action, cost model table, reports]

C. Strawman Scenario [From-To spreadsheet]

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